

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK
WHITE PLAINS DIVISION

DAVID COHAIN D.D.S
363 Jones Rd.
Englewood, New Jersey 07631

And

CYNTHIA COHAIN
363 Jones Rd.
Englewood, New Jersey 07631

And

YOSAIF COHAIN
363 Jones Road
Englewood, New Jersey 07631

And

ARIELLA COHAIN
363 Jones Road
Englewood, New Jersey 07631

And

LAURA HERZ
30 Greenridge Ave. Apt. 4M
White Plains, New York 10607

JAMIE CLARK
52 South Road
Holmes, New York 12531

And

PATRICK CLARK
52 South Road
Holmes, New York 12531

And

JUDGE CONNER

CASE NO.

JUDGE:

'08 CIV 5047

FILED
U.S. DISTRICT COURT
S.D. OF N.Y. E.D.
2008 JUN -2 PM 1:29

BARBARA DEMUTH
90 Union St. Apt 5H
New Rochelle, New York 10805

And

JOHN HAYES
900 Palmer Rd.
Bronxville, New York 10708

And

KATHERINE HAYES
900 Palmer Rd.
Bronxville, New York 10708

And

JULIA C. HERTLEIN TRUST
C/O William Hertlein, Trustee
1 Aredell Road
Bronxville, New York 10708

And

FRANK MADONNA
10 Kent Road
Bronxville, New York 10708

And

FRED RONIS
26 Georgia Road
Syosset, New York 11791

And

HELEN SINGER
19 Westfield Road
White Plains, New York 10605

And

ANDREW WALD
7548 Chester Terrace
Boca Raton, FL 33433

And

ESTELLE WALD
7548 Chester Terrace
Boca Raton, FL 33433

And

JOANNA WALD
7548 Chester Terrace
Boca Raton, FL 33433

And

NORMAN WALD
7548 Chester Terrace
Boca Raton, FL 33433

And

SAMUEL WALD
7548 Chester Terrace
Boca Raton, FL 33433

And

CARMELINA PAGANO
175 West 12th St., Apt. 10D
New York, New York 10011

And

ROSAMARIA PAGANO
143-15 22nd Road
Whitestone, New York 11357

And

MARIA PAGANO
96 Fifth Avenue, Apt. 8D
New York, New York 10011

And

ALLEGRA PAGANO
A Minor, by her father and
Natural guardian, Alessandro Pagano
220 Central Parkway
Mount Vernon, New York 10552

And

**NICCOLO PAGANO
A Minor, by his father and
Natural guardian, Alessandro Pagano
220 Central Parkway
Mount Vernon, New York 10552**

Plaintiffs

v.

**LAURA KLIMLEY
5 Oakledge Road
Bronxville, New York 10708**

And

**MAXINE EIMICKE
20 Hereford Road
Bronxville, New York 10708**

And

**JOHN PALMERO
20 Saymor Drive
Bardonia, New York 10954**

And

**HEREFORD CREDIT AND
COLLECTION AGENCY, INC.
35 East Grassy Sprain Road
Yonkers, New York 10710**

And

**THE VICTOR W. and
MAXINE EIMICKE FOUNDATION
35 East Grassy Sprain Road
Yonkers, New York 10710**

Defendants

COMPLAINT
(Jury Demand Endorsed Hereon)

Now come Plaintiffs, DAVID COHAIN D.D.S., CYNTHIA COHAIN, YOSAIF COHAIN, ARIELLA COHAIN, LAURA HERZ, JAMIE CLARK, PATRICK CLARK, BARBARA DEMUTH, JOHN HAYES, KATHERINE HAYES, JULIA C. HERTLEIN TRUST, FRANK MADONNA, FRED RONIS, HELEN SINGER, ANDREW WALD, ESTELLE WALD, JOANNA WALD, NORMAN WALD, SAMUEL WALD, CARMELINA PAGANO, ROSAMARIA PAGANO, MARIA PAGANO, ALLEGRA PAGANO and NICCOLO PAGANO by and through the undersigned counsel, and for their complaint against Defendants LAURA KLIMLEY, JOHN PALMERO, MAXINE EIMICKE, HEREFORD CREDIT AND COLLECTION AGENCY, INC. and THE VICTOR W. AND MAXINE EIMICKE FOUNDATION respectfully set forth and allege as follows:

INTRODUCTION

1. This action seeks compensatory and punitive damages for Plaintiffs, David Cohain, Cynthia Cohain, Yosaif Cohain, Ariella Cohain, Laura Herz, Jamie Clark, Patrick Clark, Barbara Demuth, John Hayes, Katherine Hayes, Julia C. Hertlein Trust, Frank Madonna, Fred Ronis, Helen Singer, Andrew Wald, Estelle Wald, Joanna Wald, Norman Wald, Samuel Wald, Carmelina Pagano, Rosamaria Pagano, Maria Pagano, Allegra Pagano and Niccolo Pagano for unlawful activities against Defendants pursuant to the Securities Act of 1933; the Securities Exchange Act of 1934; pursuant to 18 U.S.C. § 1964(c), as the suit concerns violations of the Racketeering Influenced and Corrupt Organizations Act; common law fraud; fraudulent transfers, corporate waste, self-dealing and breach of fiduciary duty under the laws of the State

of New York. Specifically, each Plaintiff purchased securities from the VWE Group, Inc. dba V.W. Eimicke Associates, Inc. (hereinafter the “Company”) as part of the Company’s “Note Program”. These notes were offered for sale in this judicial district by way of mail and telephone solicitations. Plaintiffs claim that said Defendants engaged in a pattern of corrupt activities including aiding and abetting theft, money laundering and maliciously making false and misleading statements in connection with the performance and assets of the Company; knowingly and maliciously failing to disclose material facts in connection with the performance of the Company, the number of other investors and size of the Company’s securities offerings; knowingly and maliciously failing to register the subject securities and provide the required disclosures in accordance with Federal law; engaging in a ponzi scheme; paying themselves and Eimicke family members and associates excessive salaries, dividends and other compensation, and otherwise seeking to unlawfully enrich themselves and the Eimicke family at the expense of Plaintiffs and the other note holders.

JURISDICTION AND VENUE

2. This court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1337; Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77v (hereinafter “Securities Act”); Section 27 of the Securities Exchange Act of 1934, 15 U.S.C. § 77aa; and pursuant to 28 U.S.C. § 1367 in regards to Plaintiffs’ claims brought in accordance with the laws of the State of New York. The claims asserted herein arise under Section 5, 12 and 15 of the Securities Act, (15 U.S.C. § 77e, 15 U.S.C. § 77l, 15 U.S.C. § 77o); Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. § 77j, 15 U.S.C. § 78t(a)) and Rule 10b-5 promulgated thereunder; 18 U.S.C. § 1964(c), as the suit concerns violations of the Racketeering Influenced and Corrupt Organizations Act and pursuant to 28 U.S.C. § 1367 as Plaintiffs’ state and common law claims are so related to the federal claims that they form part of the same case or controversy.

3. Venue is proper in this District pursuant to Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77v(a); Section 27 of the Securities Exchange Act of 1934; 15 U.S.C. § 78aa; 28 U.S.C. § 1391; 18 U.S.C. § 1965(b) and the principles of supplemental jurisdiction under 28 U.S.C. § 1367. Assignment of this action to the Southern District of New York, Division of White Plains is appropriate as a substantial portion of acts and omissions set forth herein occurred in Bronxville, New York and Yonkers, New York and Defendants all reside within the Southern District of New York.

4. In connection with the acts, conduct and other wrongs complained of herein, Defendants, directly or indirectly, utilized the means and instrumentalities of interstate commerce, including but not limited to the United States mails and interstate telephone communications.

THE PLAINTIFFS

5. Plaintiffs are residents, and were at all times relevant to the subject matter of this Complaint, the States of New York and New Jersey. At all relevant times Plaintiffs were and are bonafide creditors of the Company and investors in the Company's illegal Note Program.

THE DEFENDANTS

6. Defendant Laura Klimley (hereinafter "Klimley") was at all times relevant to the subject matter of this Complaint the Vice-President and director of the Company and the holder of 375 of the total of 750 of the Common A voting shares of the Company. Further, Laura Klimley held at all times relevant to the subject matter of this Complaint 1046.5 of a total of 2093 of Common B non-voting shares of the Company; 111 of 189 Preferred A , non-voting shares of the Company; and 814 of 1597 Preferred B non-voting shares of the Company. Laura Klimley had the power to direct or cause the direction of all aspects of the Company, including but not limited to its management, policies, securities offerings and

communications and disclosures with and to the creditors of the Company at all relevant times and was a “control person” of the Company as defined by § 15 of the Securities Act and § 20(a) of the Exchange Act and exercised said control to cause the Company to engage in the conduct complained of herein.

7. Defendant Maxine Eimicke (hereinafter “Maxine Eimicke”) was at all times relevant to the subject matter of this Complaint a vice-president, secretary and a director of the Company and the wife of the founder of the Company, Victor Eimicke. Maxine Eimicke had the power to direct or cause the direction of all aspects of the Company, including but not limited to its management, policies, securities offerings and communications and disclosures with and to the creditors of the Company at all relevant times and was a “control person” of the Company as defined by § 15 of the Securities Act and § 20(a) of the Exchange Act and exercised said control to cause the Company to engage in the conduct complained of herein.

8. Defendant John Palmero (hereinafter “Palmero”) was at all times relevant to the subject matter of this Complaint an officer and director of the Company and served as its controller. In his role as controller, Mr. Palmero prepared and kept the financial records of the Company and the Note Program, all of which indicate that from at least 1990 to until and including June, 2004 that the Company was illegally selling unregistered debentures and other securities at a time when the Company was hopelessly insolvent. Defendant had the power to direct or cause the direction of all aspects of the Company, including but not limited to its management, policies, securities offerings and communications and disclosures with and to the creditors of the Company at all relevant times and was a “control person” of the Company as defined by § 15 of the Securities Act and § 20(a) of the Exchange Act and exercised said control to cause the Company to engage in the conduct complained of herein.

9. Defendant Hereford Credit and Collection Agency, Inc. (hereinafter “Hereford”) was at all times relevant to the subject matter of this Complaint a for-profit corporation formed and existing under the laws of the State of New York. Hereford was at all relevant times owned by Klimley and her sister, Alicia Eimicke, and utilized to launder monies generated by the Company’s illegal Note Program for the benefit of Klimley and Alicia Eimicke. At all relevant times Klimley and her sister Alicia Eimicke were officers, directors and the sole shareholders of Hereford and were “control persons” of Hereford as defined by § 15 of the Securities Act and § 20(a) of the Exchange Act and exercised said control to cause the Company to engage in the conduct complained of herein.

10. Defendant The Victor W. and Maxine Eimicke Foundation, Inc. (hereinafter the “Foundation”) was at all times relevant to the subject matter of this Complaint an allegedly non-profit corporation formed and existing under the laws of the State of New York. The Foundation was established by Victor and Maxine Eimicke to aid in their joint scheme to avoid the payment of federal and state income tax and utilized to launder monies generated by the Company’s illegal Note Program.

OPERATIVE FACTS

11. In or about late 1958, Victor Eimicke formed the Company, a New York Corporation, for the purposes of engaging in the business of producing and selling forms and other materials utilized by companies in the hiring, firing and motivation of employees and commonly referred to as the “HR business”. Several years ago, the Company began producing and selling holiday greeting cards in addition to its “HR business”. By 2003 the holiday card business surpassed the HR business and accounted for 75% of the company’s revenues. In December 2003, the Company sold its holiday card business to an entity known as the Taylor Group.

12. Following the sale of the holiday card business, the Company filed for relief pursuant to Chapter 11 of the United States Bankruptcy Code on June 1, 2004. Said petition is currently pending in the United States Bankruptcy Court for the Southern District of New York being case number 04-20308.

13. From the Company's inception the Company offered debt instruments (the "Notes") with terms from 90 days to 5 years, interim maturity periods of between 1 and 3 years, and interest rates from 10 to 23% (the "Note Program"). These Notes were at all relevant times offered for sale in New York, New Jersey and other States by the Company and its officers and directors, including Defendants, Klimley, Palmero and Maxine Eimicke through personal, mail and telephone solicitations. At the time of the filing of the aforesaid bankruptcy, the aggregate outstanding principal amount of the Notes was more than \$26 million dollars; nearly eight times the amount of money owed trade creditors.

14. By the late 1980's Victor Eimicke began actively training his daughters Alicia Eimicke and Klimley to take over the Company. By 1994, Victor Eimicke and Maxine Eimicke had transferred their stock to Alicia Eimicke and Klimley and had provided Alicia Eimicke and Klimley with detailed information in connection with the size and purpose of the Note Program and the operation and budgetary concerns of the Company.

15. From 1993 up until the time of the aforesaid bankruptcy filing, an evaluation of the earnings before interest and taxes (hereinafter "EBIT") shows that the Company was in terms of operational income profitable in some years, nearly break even in others and lost money in a number of years. The pattern was, however, wildly erratic. Specifically, for each year the EBIT was as follows:

YEAR	GAIN OR LOSS	AMOUNT
1993	Gain	\$476,000.00

1994	Loss	\$212,000.00
1995	Loss	\$182,000.00
1996	Gain	\$98,000.00
1997	Gain	\$6,000.00
1998	Gain	\$802,000.00
1999	Gain	\$18,000.00
2000	Loss	\$143,000.00
2001	Gain	\$233,000.00
2002	Loss	\$37,000.00
2003	Gain	\$203,000.00

16. In every year from 1993 until and including 2003, the Company posted a large annual net loss. This loss grew from \$286,000.00 in 1993 to \$3,247,000.00 in 2003. Indeed the Company posted a net loss of at least a million dollars in each year from 1995 to 2003.

Specifically, the Company posted net losses as follows:

YEAR	NET LOSS
1995	\$1,428,000.00
1996	\$1,434,000.00
1997	\$1,745,000.00
1998	\$1,284,000.00
1999	\$2,280,000.00
2000	\$2,932,000.00
2001	\$3,011,000.00

2002	\$3,702,000.00
2003	\$3,247,000.00

17. The aforesaid net loss is explained by the consistent and continuous issuance of new Notes. From 1993 to 2003 the Notes payable increased from \$5,950,000.00 in 1993 to \$25,268,000.00 in 2003. In fact even as of 1993 the Note Program was so large that in no year from 1993 up to and including 2003 did the EBIT provide sufficient money to pay the interest expense and amortization. The following chart illustrates this point by comparing the EBIT, the interest expense, the amount of debt raised in a certain year and the total amount of the debt at the end of such year:

YEAR	EBIT	INTEREST	AMOUNT RAISED	TOTAL DEBT
1993	\$476,000.00	\$762,000.00	(presently unknown)	\$5,950,000.00
1994	(\$212,000.00)	\$981,000.00	\$1,292,000.00	\$7,242,000.00
1995	(\$182,000.00)	\$1,245,000.00	\$1,742,000.00	\$8,984,000.00
1996	\$98,000.00	\$1,531,000.00	\$2,096,000.00	\$11,080,000.00
1997	\$6,000.00	\$1,751,000.00	\$1,843,000.00	\$12,923,000.00
1998	\$802,000.00	\$2,086,000.00	\$1,892,000.00	\$14,815,000.00
1999	\$17,000.00	\$2,297,000.00	\$2,507,000.00	\$17,322,000.00
2000	(\$143,000.00)	\$2,788,000.00	\$1,466,000.00	\$18,788,000.00
2001	\$233,000.00	\$3,243,000.00	\$2,104,000.00	\$20,892,000.00
2002	(\$36,000.00)	\$3,702,000.00	\$4,376,000.00	\$25,268,000.00
2003	\$203,000.00	\$3,450,000.00	\$3,803,000.00	\$29,071,000.00

18. Despite actual knowledge, the aforesaid losses the Company, at the direction of officers and directors of the Company, including Defendants, Klimley, Palmero and Maxine Eimicke paid cash dividends to the Eimicke family and Klimley. Specifically the Company, at the direction of officers and directors of the Company, including said Defendants, paid the shareholders (Klimley and Alicia Eimicke) a dividend of \$19,850.00 each in 1993 and \$17,860.00 each in year thereafter until and including 2003. These payments were made despite the fact that neither shareholder paid anything for their stock.

19. Despite the poor financial condition of the Company, the Company, at the direction of officers and directors of the Company, including Defendants Klimley, Palmero and Maxine Eimicke, paid to the Eimicke family and the Company's officers, clearly excessive salaries starting as early as 1991. Indeed a substantial salary was paid to Maxine Eimicke, the wife of Victor Eimicke, although she claims to have had little or no involvement with the operation of the Company. The excessive nature of the salaries paid to the officers is illustrated as follows: in 1995 officer salaries were \$950,000.00, as compared to a negative EBIT of \$183,000.00 and a net loss of \$1,428,000.00; in 1996 officers salaries were \$957,000.00, as compared to a EBIT of \$98,000.00 and a net loss of \$1,434,000.00; in 1997 officer salaries were \$857,000.00 as compared to a EBIT of \$6,000.00 and a net loss of \$1,745,000.00; in 1998 officer salaries were \$816,000.00 as compared to a EBIT of \$802,000.00 and a net loss of \$1,284,000.00; in 1999 officer salaries were \$852,000.00, as compared to an EBIT of \$18,000.00 and a net loss of \$2,280,000.00; in 2000 officer salaries were \$849,000.00 as compared to a negative EBIT of \$143,000.00 and a net loss of \$2,932,000.00; in 2001 officer salaries were \$756,000.00, as compared to an EBIT of \$233,000.00 and a net loss of \$3,011,000.00; in 2002 officer salaries were \$545,000.00 as compared to a negative EBIT of \$37,000.00 and a net loss of

\$3,702,000.00; and in 2003 officer salaries were \$588,000.00 as opposed to a net loss of \$3,247,000.00. A summary of the officer salaries paid is attached herewith as Exhibit "A".

20. In addition to the aforesaid illegal dividends and excessive salaries, the Company, at the direction of officers and directors of the Company including Defendants Klimley, Palmero and Maxine Eimicke, made substantial advances to Company officers and directors. Plaintiffs state that said advances exceeded 1.5 million dollars. Specifically the Company made the following advances to Klimley, many from the general operating account of the Company:

Date	COMPANY ACCOUNT	CHECK #	AMOUNT	PAYEE
12/29/1993	Fleet General	59102	\$600.00	Laura Klimley
7/1/1994	National Westminister Special	201	\$18.75	Laura Klimley
7/1/1994	National Westminister Special	195	\$337.50	Laura Klimley
7/5/1994	National Westminister Special	4475	\$2,242.50	Laura Klimley
7/5/1994	National Westminister Special	4476	\$70.00	Laura Klimley
7/14/1994	National Westminister General	32763	\$400.00	Laura Klimley
7/19/1994	National Westminister General	32794	\$2,200.00	Laura Klimley
7/21/1994	National Westminister General	32813	\$400.00	Laura Klimley
7/21/1994	National Westminister Special	2268	\$3,700.00	Laura Klimley
7/27/1994	National Westminister General	32848	\$400.00	Laura Klimley
8/4/1994	National Westminister General	32916	\$1,200.00	Laura Klimley
8/11/1994	National Westminister General	32985	\$300.00	Laura Klimley
8/17/1994	National Westminister General	33025	\$450.00	Laura Klimley
8/25/1994	National Westminister General	33105	\$400.00	Laura Klimley
9/1/1994	National Westminister General	33185	\$400.00	Laura Klimley
9/6/1994	National Westminister General	33206	\$2,300.00	Laura Klimley
9/7/1994	National Westminister General	33220	\$400.00	Laura Klimley
9/14/1994	National Westminister General	33265	\$400.00	Laura Klimley
9/22/1994	National Westminister General	33341	\$200.00	Laura Klimley
9/28/1994	National Westminister General	33380	\$450.00	Laura Klimley
10/1/1994	National Westminister Special	230	\$18.75	Laura Klimley
10/1/1994	National Westminister Special	224	\$337.50	Laura Klimley
10/4/1994	National Westminister Special	4798	\$2,242.50	Laura Klimley
10/5/1994	National Westminister General	33427	\$70.00	Laura Klimley
11/10/1994	National Westminister General	33717	\$70.00	Laura Klimley
11/21/1994	National Westminister General	33793	\$150.00	Laura Klimley
11/29/1994	Medical bills paid 165.00		\$0.00	Laura Klimley
12/5/1994	National Westminister General	33921	\$150.00	Laura Klimley
12/7/1994	National Westminister General	33943	\$65.00	Laura Klimley
12/8/1994	National Westminister General	33954	\$500.00	Laura Klimley
12/15/1994	National Westminister General	34010	\$600.00	Laura Klimley
12/22/1994	National Westminister General	34067	\$3,100.00	Laura Klimley
12/29/1994	National Westminister General	34120	\$400.00	Laura Klimley
1/3/1995	National Westminister Special	313	\$337.50	Laura Klimley
1/3/1995	National Westminister Special	319	\$18.75	Laura Klimley

1/4/1995	National Westminister Special	4821	\$2,242.50	Laura Klimley
1/5/1995	National Westminister General	34171	\$250.00	Laura Klimley
1/5/1995	National Westminister General	34173	\$450.00	Laura Klimley
1/5/1995	National Westminister General	34177	\$70.00	Laura Klimley
1/12/1995	National Westminister General	34213	\$650.00	Laura Klimley
1/19/1995	National Westminister General	34261	\$700.00	Laura Klimley
1/26/1995	National Westminister General	34324	\$700.00	Laura Klimley
2/9/1995	National Westminister General	34464	\$700.00	Laura Klimley
2/16/1995	National Westminister General	34464	\$700.00	Laura Klimley
2/22/1995	National Westminister General	34484	\$250.00	Laura Klimley
2/22/1995	National Westminister General	34486	\$750.00	Laura Klimley
3/1/1995	National Westminister General	34532	\$750.00	Laura Klimley
3/9/1995	National Westminister General	34597	\$700.00	Laura Klimley
3/16/1995	National Westminister General	34639	\$150.00	Laura Klimley
3/16/1995	National Westminister General	34645	\$700.00	Laura Klimley
3/22/1995	National Westminister General	34694	\$700.00	Laura Klimley
3/22/1995	National Westminister Special	1385	\$2,500.00	Laura Klimley
3/30/1995	National Westminister General	34729	\$700.00	Laura Klimley
4/3/1995	National Westminister General	34752	\$70.00	Laura Klimley
4/3/1995	National Westminister Special	378	\$337.50	Laura Klimley
4/3/1995	National Westminister Special	384	\$18.75	Laura Klimley
4/6/1995	National Westminister General	34789	\$200.00	Laura Klimley
4/6/1995	HVGA	4843	\$2,000.00	Laura Klimley
4/13/1995	National Westminister General	34843	\$700.00	Laura Klimley
4/20/1995	National Westminister General	34879	\$700.00	Laura Klimley
4/21/1995	HVGA	4848	\$3,850.00	Laura Klimley
4/27/1995	National Westminister General	34933	\$750.00	Laura Klimley
5/4/1995	National Westminister General	34977	\$700.00	Laura Klimley
5/11/1995	National Westminister General	35012	\$700.00	Laura Klimley
5/18/1995	National Westminister General	35058	\$700.00	Laura Klimley
5/24/1995	National Westminister General	35094	\$700.00	Laura Klimley
5/24/1995	National Westminister General	1467	\$1,120.00	Laura Klimley
6/1/1995	National Westminister General	1472	\$1,200.00	Laura Klimley
6/8/1995	National Westminister General	35176	\$700.00	Laura Klimley
6/15/1995	National Westminister General	35223	\$700.00	Laura Klimley
6/22/1995	National Westminister General	35278	\$700.00	Laura Klimley
6/28/1995	National Westminister General	35319	\$2,500.00	Laura Klimley
6/29/1995	National Westminister General	35328	\$700.00	Laura Klimley
7/1/1996	National Westminister Special	00563	\$337.50	Laura Klimley
7/1/1996	National Westminister Special	00572	\$18.75	Laura Klimley
7/3/1996	National Westminister General	38059	\$450.00	Laura Klimley
7/10/1996	National Westminister General	38080	\$750.00	Laura Klimley
7/18/1996	National Westminister General	38134	\$1,000.00	Laura Klimley
7/18/1996	National Wesminster General	04908	\$2,242.50	Laura Klimley
7/22/1996	National Westminister General	38158	\$70.00	Laura Klimley
7/25/1996	National Westminister General	38195	\$900.00	Laura Klimley
8/1/1996	National Wesminster General	38238	\$750.00	Laura Klimley
8/8/1996	National Wesminster General	38294	\$750.00	Laura Klimley
8/15/1996	National Wesminster General	38335	\$700.00	Laura Klimley
8/22/1996	National Wesminster General	38380	\$750.00	Laura Klimley
8/29/1996	National Wesminster General	38416	\$600.00	Laura Klimley
8/29/1996	National Wesminster General	38418	\$900.00	Laura Klimley

9/5/1996	National Westminster General	38480	\$900.00	Laura Klimley
9/5/1996	National Westminster General	38484	\$600.00	Laura Klimley
9/12/1996	National Westminster General	38537	\$900.00	Laura Klimley
9/12/1996	National Westminster General	38539	\$600.00	Laura Klimley
9/19/1996	National Westminster General	38594	\$600.00	Laura Klimley
9/19/1996	National Westminster General	38597	\$900.00	Laura Klimley
9/26/1996	National Westminster General	38646	\$900.00	Laura Klimley
9/26/1996	National Westminster General	38648	\$600.00	Laura Klimley
10/1/1996	National Westminster Special	00641	\$337.50	Laura Klimley
10/1/1996	National Westminster Special	00650	\$18.75	Laura Klimley
10/3/1996	National Westminster General	38689	\$600.00	Laura Klimley
10/9/1996	National Westminster General	38717	\$1,700.00	Laura Klimley
10/10/1996	National Westminster General	38722	\$600.00	Laura Klimley
10/10/1996	National Westminster General	38724	\$900.00	Laura Klimley
10/17/1996	National Westminster General	38762	\$900.00	Laura Klimley
10/17/1996	National Westminster General	38763	\$300.00	Laura Klimley
10/18/1996	National Westminster General	38790	\$70.00	Laura Klimley
10/22/1996	National Westminster General	04914	\$2,242.50	Laura Klimley
10/24/1996	National Westminster General	38813	\$900.00	Laura Klimley
10/31/1996	National Westminster General	38877	\$900.00	Laura Klimley
10/31/1996	National Westminster General	38879	\$700.00	Laura Klimley
11/7/1996	National Westminster General	38935	\$600.00	Laura Klimley
11/14/1996	National Westminster General	38974	\$600.00	Laura Klimley
11/14/1996	National Westminster General	38976	\$900.00	Laura Klimley
11/21/1996	National Westminster General	39033	\$900.00	Laura Klimley
11/26/1996	National Westminster General	39063	\$900.00	Laura Klimley
12/3/1996	National Westminster General	39103	\$500.00	Laura Klimley
12/5/1996	National Westminster General	39132	\$900.00	Laura Klimley
12/12/1996	National Westminster General	39193	\$900.00	Laura Klimley
12/19/1996	National Westminster General	39240	\$600.00	Laura Klimley
12/19/1996	National Westminster General	39242	\$900.00	Laura Klimley
12/27/1996	National Westminster General	39282	\$900.00	Laura Klimley
1/2/1997	National Westminster General	39315	\$600.00	Laura Klimley
1/2/1997	National Westminster Special	00712	\$337.50	Laura Klimley
1/2/1997	National Westminster Special	00721	\$18.75	Laura Klimley
1/9/1997	National Westminster General	39363	\$600.00	Laura Klimley
1/16/1997	National Westminster General	39398	\$700.00	Laura Klimley
1/21/1997	National Westminster General	39418	\$2,242.50	Laura Klimley
1/23/1997	National Westminster General	39450	\$350.00	Laura Klimley
1/30/1997	National Westminster General	39511	\$800.00	Laura Klimley
1/30/1997	National Westminster General	39516	\$70.00	Laura Klimley
2/6/1997	National Westminster General	39550	\$700.00	Laura Klimley
2/13/1997	National Westminster General	39588	\$700.00	Laura Klimley
2/20/1997	National Westminster General	39627	\$700.00	Laura Klimley
3/6/1997	National Westminster General	39727	\$700.00	Laura Klimley
3/20/1997	National Westminster General	39798	\$650.00	Laura Klimley
3/27/1997	National Westminster General	39851	\$650.00	Laura Klimley
4/1/1997	National Westminster Special	00806	\$337.50	Laura Klimley
4/1/1997	National Westminster Special	00815	\$18.75	Laura Klimley
4/3/1997	National Westminster General	39870	\$650.00	Laura Klimley
4/10/1997	National Westminster General	39911	\$539.32	Laura Klimley
4/17/1997	National Westminster General	39972	\$500.00	Laura Klimley

4/24/1997	National Westminster General	40024	\$650.00	Laura Klimley
4/28/1997	National Westminster General	40049	\$2,242.50	Laura Klimley
4/30/1997	National Westminster General	40082	\$70.00	Laura Klimley
5/1/1997	National Westminster General	40092	\$850.00	Laura Klimley
5/8/1997	National Westminster General	40136	\$650.00	Laura Klimley
5/15/1997	National Westminster General	40177	\$700.00	Laura Klimley
5/22/1997	National Westminster General	40213	\$650.00	Laura Klimley
5/27/1997	National Westminster General	40246	\$366.45	Laura Klimley
5/29/1997	National Westminster General	40269	\$700.00	Laura Klimley
5/30/1997	National Westminster General	40290	\$450.00	Laura Klimley
6/5/1997	National Westminster General	40344	\$650.00	Laura Klimley
6/12/1997	National Westminster General	40420	\$700.00	Laura Klimley
6/26/1997	National Westminster General	40529	\$3,600.00	Laura Klimley
7/1/1997	National Westminster General	40592	\$337.50	Laura Klimley
7/1/1997	National Westminster General	40595	\$18.75	Laura Klimley
7/3/1997	National Westminster General	40667	\$600.00	Laura Klimley
7/10/1997	National Westminster General	40698	\$650.00	Laura Klimley
7/17/1997	National Westminster General	40741	\$2,242.50	Laura Klimley
7/17/1997	National Westminster General	40745	\$70.00	Laura Klimley
7/23/1997	National Westminster General	40805	\$900.00	Laura Klimley
7/23/1997	National Westminster General	40806	\$700.00	Laura Klimley
7/31/1997	National Westminster General	40850	\$650.00	Laura Klimley
8/7/1997	National Westminster General	40895	\$800.00	Laura Klimley
8/11/1997	National Westminster General	40924	\$100.00	Laura Klimley
8/14/1997	National Westminster General	40943	\$600.00	Laura Klimley
8/21/1997	National Westminster General	40988	\$700.00	Laura Klimley
8/22/1997	National Westminster General	40999	\$206.81	Laura Klimley
8/28/1997	National Westminster General	41037	\$650.00	Laura Klimley
9/4/1997	National Westminster General	41083	\$650.00	Laura Klimley
9/11/1997	National Westminster General	41127	\$650.00	Laura Klimley
9/18/1997	National Westminster General	41177	\$700.00	Laura Klimley
9/24/1997	National Westminster General	41217	\$600.00	Laura Klimley
10/1/1997	National Westminster General	41318	\$937.50	Laura Klimley
10/1/1997	National Westminster General	01754	\$300.00	Laura Klimley
10/1/1997	National Westminster General	01754	\$337.50	Laura Klimley
10/1/1997	National Westminster General	41318	\$600.00	Laura Klimley
10/1/1997	National Westminster General	41318	\$337.50	Laura Klimley
10/7/1997	National Westminster General	41422	\$600.00	Laura Klimley
10/16/1997	National Westminster General	41471	\$600.00	Laura Klimley
10/22/1997	National Westminster General	41510	\$821.25	Laura Klimley
10/29/1997	National Westminster General	41503	\$821.25	Laura Klimley
10/30/1997	National Westminster General	41581	\$70.00	Laura Klimley
11/5/1997	National Westminster General	41622	\$600.00	Laura Klimley
11/12/1997	National Westminster General	41667	\$3,100.00	Laura Klimley
11/19/1997	National Westminster General	41728	\$600.00	Laura Klimley
11/24/1997	National Westminster General	41764	\$500.00	Laura Klimley
12/3/1997	National Westminster General	41837	\$500.00	Laura Klimley
12/3/1997	National Westminster General	41840	\$600.00	Laura Klimley
12/9/1997	National Westminster General	41887	\$2,000.00	Laura Klimley
12/10/1997	National Westminster General	41899	\$600.00	Laura Klimley
12/16/1997	National Westminster General	41961	\$600.00	Laura Klimley
12/19/1997	National Westminster General	41991	\$600.00	Laura Klimley

12/30/1997	National Westminster General	42062	\$600.00	Laura Klimley
1/2/1998	National Westminster General	42105	\$337.50	Laura Klimley
1/2/1998	National Westminster General	42108	\$18.75	Laura Klimley
1/7/1998	National Westminster General	42179	\$600.00	Laura Klimley
1/14/1998	National Westminster General	42223	\$300.00	Laura Klimley
1/21/1998	National Westminster General	42279	\$700.00	Laura Klimley
1/23/1998	National Westminster General	42300	\$70.00	Laura Klimley
2/4/1998	National Westminster General	42382	\$700.00	Laura Klimley
2/11/1998	National Westminster General	42436	\$700.00	Laura Klimley
2/25/1998	National Westminster General	42528	\$300.00	Laura Klimley
3/4/1998	National Westminster General	42560	\$600.00	Laura Klimley
3/11/1998	National Westminster General	42604	\$600.00	Laura Klimley
3/16/1998	National Westminster General	42625	\$2,400.00	Laura Klimley
3/18/1998	National Westminster General	42650	\$600.00	Laura Klimley
3/24/1998	National Westminster General	42680	\$2,800.00	Laura Klimley
3/25/1998	National Westminster General	42687	\$600.00	Laura Klimley
4/1/1998	National Westminster General	42756	\$337.50	Laura Klimley
4/1/1998	National Westminster General	42761	\$18.75	Laura Klimley
4/8/1998	National Westminster General	42869	\$3,431.82	Laura Klimley
4/9/1998	National Westminster General	42884	\$70.00	Laura Klimley
4/15/1998	National Westminster General	42925	\$600.00	Laura Klimley
4/22/1998	National Westminster General	43011	\$600.00	Laura Klimley
4/29/1998	National Westminster General	43079	\$800.00	Laura Klimley
5/6/1998	National Westminster General	43154	\$600.00	Laura Klimley
5/13/1998	National Westminster General	43214	\$1,100.00	Laura Klimley
5/19/1998	National Westminster General	43266	\$3,100.00	Laura Klimley
5/27/1998	National Westminster General	43310	\$700.00	Laura Klimley
6/3/1998	National Westminster General	43372	\$700.00	Laura Klimley
6/10/1998	National Westminster General	43436	\$600.00	Laura Klimley
6/17/1998	National Westminster General	43494	\$600.00	Laura Klimley
6/22/1998	National Westminster General	43533	\$1,200.00	Laura Klimley
6/24/1998	National Westminster General	43550	\$600.00	Laura Klimley
6/30/1998	National Westminster General	43589	\$600.00	Laura Klimley
7/1/1999	National Westminster General	46660	\$337.50	Laura Klimley
7/1/1999	National Westminster General	46662	\$18.75	Laura Klimley
7/7/1999	National Westminster General	46758	\$300.00	Laura Klimley
7/8/1999	National Westminster General	04958	\$2,242.50	Laura Klimley
7/12/1999	National Westminster General	46791	\$70.00	Laura Klimley
7/14/1999	National Westminster General	46808	\$600.00	Laura Klimley
7/15/1999	National Westminster General	01883	\$297.00	Laura Klimley
7/22/1999	National Westminster General	46857	\$600.00	Laura Klimley
7/28/1999	National Westminster General	46896	\$700.00	Laura Klimley
8/4/1999	National Westminster General	46948	\$600.00	Laura Klimley
8/11/1999	National Westminster General	46985	\$600.00	Laura Klimley
8/17/1999	National Westminster General	47037	\$600.00	Laura Klimley
8/23/1999	National Westminster General	47066	\$600.00	Laura Klimley
9/1/1999	National Westminster General	47119	\$600.00	Laura Klimley
9/8/1999	National Westminster General	47173	\$600.00	Laura Klimley
9/15/1999	National Westminster General	47224	\$600.00	Laura Klimley
9/22/1999	National Westminster General	47279	\$700.00	Laura Klimley
9/29/1999	National Westminster General	47337	\$600.00	Laura Klimley
10/1/1999	National Westminster General	47387	\$337.50	Laura Klimley

10/1/1999	National Westminster General	47389	\$18.75	Laura Klimley
10/6/1999	National Westminster General	47496	\$260.00	Laura Klimley
10/12/1999	National Westminster General	47534	\$1,600.00	Laura Klimley
10/13/1999	National Westminster General	47541	\$600.00	Laura Klimley
10/20/1999	National Westminster General	47604	\$600.00	Laura Klimley
10/20/1999	National Westminster General	47607	\$50,000.00	Laura Klimley
10/27/1999	National Westminster General	47655	\$600.00	Laura Klimley
10/28/1999	National Westminster General	47667	\$70.00	Laura Klimley
10/28/1999	National Westminster General	04959	\$2,242.50	Laura Klimley
10/28/1999	National Westminster General	47667	-\$70.00	Laura Klimley
11/2/1999	National Westminster General	47717	\$600.00	Laura Klimley
11/9/1999	National Westminster General	47772	\$80.00	Laura Klimley
11/10/1999	National Westminster General	47778	\$600.00	Laura Klimley
11/17/1999	National Westminster General	47830	\$600.00	Laura Klimley
11/22/1999	National Westminster General	47875	\$600.00	Laura Klimley
12/1/1999	National Westminster General	47948	\$600.00	Laura Klimley
12/8/1999	National Westminster General	48004	\$600.00	Laura Klimley
12/15/1999	National Westminster General	48062	\$600.00	Laura Klimley
12/20/1999	National Westminster General	48102	\$700.00	Laura Klimley
12/28/1999	National Westminster General	48168	\$700.00	Laura Klimley
1/3/2000	National Westminster Special	00860	\$337.50	Laura Klimley
1/3/2000	National Westminster Special	00868	\$18.75	Laura Klimley
1/5/2000	National Westminster General	48229	\$250.00	Laura Klimley
1/12/2000	National Westminster General	48277	\$600.00	Laura Klimley
1/12/2000	National Westminster General	04960	\$2,242.50	Laura Klimley
1/13/2000	National Westminster General	48284	\$70.00	Laura Klimley
1/26/2000	National Westminster General	48356	\$600.00	Laura Klimley
1/28/2000	National Westminster General	48382	\$300.00	Laura Klimley
2/2/2000	National Westminster General	48439	\$600.00	Laura Klimley
2/9/2000	National Westminster General	48490	\$600.00	Laura Klimley
2/16/2000	National Westminster General	48526	\$600.00	Laura Klimley
2/23/2000	National Westminster General	48577	\$600.00	Laura Klimley
3/1/2000	National Westminster General	48622	\$700.00	Laura Klimley
3/8/2000	National Westminster General	48681	\$700.00	Laura Klimley
3/15/2000	National Westminster General	48727	\$600.00	Laura Klimley
3/21/2000	National Westminster General	48781	\$600.00	Laura Klimley
3/24/2000	National Westminster General	48813	\$2,900.00	Laura Klimley
4/3/2000	National Westminster Special	01024	\$337.50	Laura Klimley
4/3/2000	National Westminster Special	01032	\$18.75	Laura Klimley
4/5/2000	National Westminster General	48890	\$700.00	Laura Klimley
4/12/2000	National Westminster General	48938	\$600.00	Laura Klimley
4/12/2000	National Westminster General	04965	\$2,242.50	Laura Klimley
4/13/2000	National Westminster General	48947	\$70.00	Laura Klimley
4/18/2000	National Westminster General	48979	\$300.00	Laura Klimley
4/26/2000	National Westminster General	49031	\$600.00	Laura Klimley
5/1/2000	National Westminster General	49084	\$800.00	Laura Klimley
5/10/2000	National Westminster General	49144	\$250.00	Laura Klimley
5/10/2000	National Westminster General	49147	\$389.32	Laura Klimley
5/17/2000	National Westminster General	49191	\$600.00	Laura Klimley
5/24/2000	National Westminster General	49237	\$1,000.00	Laura Klimley
6/1/2000	National Westminster General	49316	\$600.00	Laura Klimley
6/7/2000	National Westminster General	49362	\$600.00	Laura Klimley

6/14/2000	National Westminster General	49422	\$600.00	Laura Klimley
6/21/2000	National Westminster General	49463	\$600.00	Laura Klimley
6/28/2000	National Westminster General	49516	\$600.00	Laura Klimley
7/5/2000	National Westminster General	49533	\$600.00	Laura Klimley
7/5/2000	National Westminster Special	01118	\$337.50	Laura Klimley
7/5/2000	National Westminster Special	01126	\$18.75	Laura Klimley
7/5/2000	National Westminster Special	1118	\$337.50	Laura Klimley
7/5/2000	National Westminster Special	1126	\$18.75	Laura Klimley
7/12/2000	National Westminster General	49593	\$600.00	Laura Klimley
7/12/2000	National Westminster General	49600	\$70.00	Laura Klimley
7/13/2000	Hudson Valley National	04967	\$2,242.50	Laura Klimley
7/20/2000	National Westminster General	49640	\$600.00	Laura Klimley
7/26/2000	National Westminster General	49681	\$600.00	Laura Klimley
8/2/2000	National Westminster General	49741	\$600.00	Laura Klimley
8/9/2000	National Westminster General	49780	\$600.00	Laura Klimley
8/16/2000	National Westminster General	49843	\$600.00	Laura Klimley
8/23/2000	National Westminster General	49888	\$600.00	Laura Klimley
8/30/2000	National Westminster General	49938	\$600.00	Laura Klimley
9/6/2000	National Westminster General	49985	\$600.00	Laura Klimley
9/13/2000	National Westminster General	50030	\$600.00	Laura Klimley
9/20/2000	National Westminster General	50080	\$600.00	Laura Klimley
9/27/2000	National Westminster General	50137	\$600.00	Laura Klimley
10/2/2000	National Westminster Special	01241	\$337.50	Laura Klimley
10/2/2000	National Westminster Special	01249	\$18.75	Laura Klimley
10/4/2000	National Westminster General	50200	\$2,242.50	Laura Klimley
10/5/2000	National Westminster General	50215	\$70.00	Laura Klimley
10/11/2000	National Westminster General	50254	\$300.00	Laura Klimley
10/19/2000	National Westminster General	50328	\$600.00	Laura Klimley
10/25/2000	National Westminster General	50380	\$600.00	Laura Klimley
11/1/2000	National Westminster General	50446	\$800.00	Laura Klimley
11/8/2000	National Westminster General	50514	\$600.00	Laura Klimley
11/15/2000	National Westminster General	50565	\$600.00	Laura Klimley
11/21/2000	National Westminster General	50622	\$700.00	Laura Klimley
12/1/2000	National Westminster General	50708	\$3,152.01	Laura Klimley
12/6/2000	National Westminster General	50768	\$600.00	Laura Klimley
12/13/2000	National Westminster General	50834	\$600.00	Laura Klimley
12/20/2000	National Westminster General	50908	\$600.00	Laura Klimley
12/27/2000	National Westminster General	50940	\$600.00	Laura Klimley
1/2/2001	National Westminster Special	01367	\$337.50	Laura Klimley
1/2/2001	National Westminster Special	01375	\$18.75	Laura Klimley
1/3/2001	National Westminster General	50995	\$300.00	Laura Klimley
1/4/2001	Hudson Valley National	04968	\$2,242.50	Laura Klimley
1/5/2001	National Westminster General	51025	\$70.00	Laura Klimley
1/9/2001	National Westminster General	51058	\$600.00	Laura Klimley
1/17/2001	National Westminster General	51114	\$600.00	Laura Klimley
1/24/2001	National Westminster General	51178	\$600.00	Laura Klimley
1/31/2001	National Westminster General	51238	\$1,000.00	Laura Klimley
2/7/2001	National Westminster General	51295	\$600.00	Laura Klimley
2/14/2001	National Westminster General	51346	\$600.00	Laura Klimley
2/21/2001	National Westminster General	51396	\$600.00	Laura Klimley
2/27/2001	National Westminster General	51417	\$600.00	Laura Klimley
3/7/2001	National Westminster General	51455	\$600.00	Laura Klimley

3/14/2001	National Westminster General	51530	\$600.00	Laura Klimley
3/21/2001	National Westminster General	51582	\$2,800.00	Laura Klimley
3/21/2001	National Westminster General	51583	\$600.00	Laura Klimley
3/28/2001	National Westminster General	51625	\$600.00	Laura Klimley
4/2/2001	National Westminster Special	01509	\$337.50	Laura Klimley
4/2/2001	National Westminster Special	01517	\$18.75	Laura Klimley
4/4/2001	National Westminster General	51681	\$600.00	Laura Klimley
4/10/2001	National Westminster General	51736	\$300.00	Laura Klimley
4/18/2001	National Westminster General	51779	\$1,342.50	Laura Klimley
4/18/2001	National Westminster General	51784	\$70.00	Laura Klimley
5/2/2001	National Westminster General	51880	\$600.00	Laura Klimley
5/2/2001	National Westminster General	51880	\$600.00	Laura Klimley
5/9/2001	National Westminster General	51941	\$600.00	Laura Klimley
5/16/2001	National Westminster General	51998	\$600.00	Laura Klimley
5/23/2001	National Westminster General	52048	\$1,189.32	Laura Klimley
5/30/2001	National Westminster General	52107	\$300.00	Laura Klimley
6/6/2001	National Westminster General	52172	\$600.00	Laura Klimley
6/13/2001	National Westminster General	52222	\$600.00	Laura Klimley
6/20/2001	National Westminster General	52281	\$600.00	Laura Klimley
6/27/2001	National Westminster General	52349	\$600.00	Laura Klimley
7/2/2001	National Westminster Special	1658	\$337.50	Laura Klimley
7/2/2001	National Westminster Special	01666	\$18.75	Laura Klimley
7/3/2001	National Westminster General	52378	\$600.00	Laura Klimley
7/11/2001	National Westminster General	52449	\$70.00	Laura Klimley
7/24/2001	National Westminster General	52545	\$600.00	Laura Klimley
8/7/2001	National Westminster General	52678	\$600.00	Laura Klimley
8/14/2001	National Westminster General	52722	\$600.00	Laura Klimley
8/22/2001	National Westminster General	52775	\$1,200.00	Laura Klimley
9/5/2001	National Westminster General	52868	\$600.00	Laura Klimley
9/12/2001	National Westminster General	52904	\$600.00	Laura Klimley
9/19/2001	National Westminster General	52931	\$600.00	Laura Klimley
9/26/2001	National Westminster General	52986	\$600.00	Laura Klimley
10/1/2001	National Westminster Special	01796	\$337.50	Laura Klimley
10/1/2001	National Westminster Special	01804	\$18.75	Laura Klimley
10/3/2001	National Westminster General	53024	\$2,242.50	Laura Klimley
10/10/2001	National Westminster General	53063	\$600.00	Laura Klimley
10/17/2001	National Westminster General	53136	\$400.00	Laura Klimley
10/23/2001	National Westminster General	53184	\$600.00	Laura Klimley
10/30/2001	National Westminster General	53222	\$600.00	Laura Klimley
10/30/2001	National Westminster General	53225	\$70.00	Laura Klimley
11/6/2001	National Westminster General	53274	\$600.00	Laura Klimley
11/6/2001	National Westminster General	53277	\$10,000.00	Laura Klimley
11/14/2001	National Westminster General	53330	\$600.00	Laura Klimley
11/19/2001	National Westminster General	53371	\$600.00	Laura Klimley
11/28/2001	National Westminster General	53466	\$800.00	Laura Klimley
12/5/2001	Fleet General	53516	\$600.00	Laura Klimley
12/12/2001	Fleet General	53580	\$600.00	Laura Klimley
12/18/2001	Fleet General	53626	\$1,200.00	Laura Klimley
12/18/2001	Fleet General	53629	\$100.00	Laura Klimley
1/2/2002	Fleet General	53667	\$600.00	Laura Klimley
1/2/2002	National Westminster Special	01989	\$337.50	Laura Klimley
1/2/2002	National Westminster Special	01997	\$18.75	Laura Klimley

1/9/2002	Fleet General	53718	\$200.00	Laura Klimley
1/10/2002	National Westminster General	4972	\$2,242.50	Laura Klimley
1/14/2002	Fleet General	53740	\$70.00	Laura Klimley
1/16/2002	Fleet General	53766	\$600.00	Laura Klimley
1/22/2002	Fleet General	53792	\$600.00	Laura Klimley
2/6/2002	Fleet General	53885	\$600.00	Laura Klimley
2/12/2002	Fleet General	53933	\$1,200.00	Laura Klimley
2/27/2002	Fleet General	53991	\$600.00	Laura Klimley
3/6/2002	Fleet General	54040	\$600.00	Laura Klimley
3/13/2002	Fleet General	54087	\$600.00	Laura Klimley
3/18/2002	Fleet General	54109	\$2,900.00	Laura Klimley
3/19/2002	Fleet General	54131	\$600.00	Laura Klimley
3/27/2002	Fleet General	54182	\$600.00	Laura Klimley
4/1/2002	Fleet General	54246	\$337.50	Laura Klimley
4/1/2002	Fleet General	54248	\$18.75	Laura Klimley
4/3/2002	Fleet General	54356	\$300.00	Laura Klimley
4/10/2002	Fleet General	54410	\$600.00	Laura Klimley
4/17/2002	Fleet General	54453	\$600.00	Laura Klimley
4/18/2002	Fleet General	54463	\$70.00	Laura Klimley
4/18/2002	National Westminster General	04975	\$2,242.50	Laura Klimley
4/29/2002	Fleet General	54523	\$300.00	Laura Klimley
5/1/2002	Fleet General	54553	\$600.00	Laura Klimley
5/8/2002	Fleet General	54596	\$600.00	Laura Klimley
5/15/2002	Fleet General	54642	\$600.00	Laura Klimley
5/22/2002	Fleet General	54684	\$600.00	Laura Klimley
5/24/2002	Fleet General	54499	\$600.00	Laura Klimley
5/28/2002	Fleet General	54714	\$600.00	Laura Klimley
6/4/2002	Fleet General	54770	\$600.00	Laura Klimley
6/11/2002	Fleet General	54837	\$600.00	Laura Klimley
6/19/2002	Fleet General	54873	\$1,189.32	Laura Klimley
7/1/2002	Fleet General	54990	\$400.00	Laura Klimley
7/1/2002	Fleet General	54991	\$337.50	Laura Klimley
7/1/2002	Fleet General	54993	\$18.75	Laura Klimley
7/1/2002	Hudson Valley National	4977	\$200.00	Laura Klimley
7/10/2002	Fleet General	55142	\$600.00	Laura Klimley
7/11/2002	Hudson Valley National	4978	\$2,242.50	Laura Klimley
7/15/2002	Fleet General	55161	\$70.00	Laura Klimley
7/16/2002	Fleet General	55179	\$1,200.00	Laura Klimley
7/30/2002	Fleet General	55239	\$1,000.00	Laura Klimley
8/7/2002	Fleet General	55307	\$600.00	Laura Klimley
8/12/2002	Fleet General	55328	\$600.00	Laura Klimley
8/14/2002	Hudson Valley National	4980	\$600.00	Laura Klimley
8/28/2002	Fleet General	55421	\$700.00	Laura Klimley
9/4/2002	Fleet General	55451	\$1,000.00	Laura Klimley
9/10/2002	Fleet General	55502	\$1,700.00	Laura Klimley
9/18/2002	Fleet General	55561	\$600.00	Laura Klimley
9/25/2002	Fleet General	55598	\$600.00	Laura Klimley
10/1/2002	Fleet General	55655	\$337.50	Laura Klimley
10/1/2002	Fleet General	55657	\$18.75	Laura Klimley
10/1/2002	Hudson Valley National	04981	\$2,242.50	Laura Klimley
10/2/2002	Fleet General	55771	\$300.00	Laura Klimley
10/11/2002	Fleet General	55823	\$70.00	Laura Klimley

10/16/2002	Fleet General	55856	\$600.00	Laura Klimley
10/22/2002	Fleet General	55894	\$600.00	Laura Klimley
10/28/2002	Fleet General	55913	\$800.00	Laura Klimley
11/6/2002	Fleet General	55997	\$600.00	Laura Klimley
11/13/2002	Fleet General	56033	\$600.00	Laura Klimley
11/20/2002	Fleet General	2597	\$700.00	Laura Klimley
11/25/2002	Fleet General	56109	\$600.00	Laura Klimley
12/4/2002	Fleet General	56160	\$600.00	Laura Klimley
12/9/2002	Fleet General	56182	\$553.25	Laura Klimley
12/11/2002	Fleet General	56203	\$600.00	Laura Klimley
12/18/2002	Fleet General	56260	\$1,800.00	Laura Klimley
1/2/2003	Fleet General	56397	\$337.50	Laura Klimley
1/2/2003	Fleet General	56399	\$13.75	Laura Klimley
1/8/2003	Fleet General	56523	\$300.00	Laura Klimley
1/13/2003	Fleet General	56553	\$600.00	Laura Klimley
1/16/2003	Hudson Valley National	04984	\$2,242.50	Laura Klimley
1/21/2003	Fleet General	56574	\$70.00	Laura Klimley
1/22/2003	Fleet General	56585	\$600.00	Laura Klimley
1/29/2003	Fleet General	56628	\$600.00	Laura Klimley
2/5/2003	Fleet General	56679	\$600.00	Laura Klimley
2/12/2003	Fleet General	56713	\$600.00	Laura Klimley
2/12/2003	Fleet General	56715	\$921.00	Laura Klimley
2/13/2003	Fleet General	56734	\$600.00	Laura Klimley
2/26/2003	Fleet General	56779	\$600.00	Laura Klimley
3/4/2003	Fleet General	56828	\$600.00	Laura Klimley
3/10/2003	Fleet General	56852	\$2,900.00	Laura Klimley
3/11/2003	Fleet General	56870	\$600.00	Laura Klimley
3/18/2003	Fleet General	56906	\$500.00	Laura Klimley
3/25/2003	Fleet General	56952	\$600.00	Laura Klimley
4/1/2003	Fleet General	57016	\$337.50	Laura Klimley
4/1/2003	Fleet General	57019	\$18.75	Laura Klimley
4/2/2003	Fleet General	57141	\$300.00	Laura Klimley
4/9/2003	Fleet General	57169	\$600.00	Laura Klimley
4/16/2003	Fleet General	57197	\$600.00	Laura Klimley
4/16/2003	Hudson Valley National	2900	\$2,242.50	Laura Klimley
4/23/2003	Fleet General	57229	\$600.00	Laura Klimley
4/23/2003	Fleet General	57231	\$70.00	Laura Klimley
4/29/2003	Fleet General	57259	\$1,200.00	Laura Klimley
5/2/2003	Fleet General	57303	\$600.00	Laura Klimley
5/7/2003	Fleet General	57333	\$600.00	Laura Klimley
5/14/2003	Fleet General	57372	\$600.00	Laura Klimley
5/21/2003	Fleet General	57411	\$600.00	Laura Klimley
5/28/2003	Fleet General	57445	\$600.00	Laura Klimley
6/4/2003	Hudson Valley National	1370	\$600.00	Laura Klimley
6/4/2003	Hudson Valley National	4990	\$600.00	Laura Klimley
6/9/2003	Fleet General	57517	\$600.00	Laura Klimley
6/17/2003	Fleet General	57558	\$600.00	Laura Klimley
6/24/2003	Fleet General	57600	\$600.00	Laura Klimley
7/1/2003	Fleet General	57681	\$337.50	Laura Klimley
7/1/2003	Fleet General	57682	\$262.50	Laura Klimley
7/8/2003	Fleet General	57838	\$600.00	Laura Klimley
7/15/2003	Fleet General	57878	\$600.00	Laura Klimley

7/22/2003	Fleet General	57935	\$600.00	Laura Klimley
7/28/2003	Fleet General	57961	\$70.00	Laura Klimley
7/29/2003	Fleet General	57972	\$600.00	Laura Klimley
7/29/2003	Hudson Valley National	4992	\$2,242.50	Laura Klimley
7/30/2003	Fleet General	57995	\$600.00	Laura Klimley
8/5/2003	Fleet General	58038	\$1,200.00	Laura Klimley
8/19/2003	Fleet General	58122	\$600.00	Laura Klimley
8/21/2003	Fleet General	58141	\$100.00	Laura Klimley
8/27/2003	Fleet General	58189	\$600.00	Laura Klimley
9/2/2003	Fleet General	58212	\$600.00	Laura Klimley
9/9/2003	Fleet General	58247	\$600.00	Laura Klimley
9/16/2003	Fleet General	58291	\$600.00	Laura Klimley
9/23/2003	Fleet General	58335	\$600.00	Laura Klimley
10/1/2003	Fleet General	58417	\$637.50	Laura Klimley
10/1/2003	Fleet General	58419	\$18.75	Laura Klimley
10/6/2003	Fleet General	2740	\$1,700.00	Laura Klimley
10/8/2003	Fleet General	58589	\$600.00	Laura Klimley
10/15/2003	Fleet General	58621	\$600.00	Laura Klimley
10/21/2003	Fleet General	58651	\$600.00	Laura Klimley
10/23/2003	Fleet General	58674	\$2,242.50	Laura Klimley
11/4/2003	Fleet General	58753	\$1,100.00	Laura Klimley
11/7/2003	Fleet General	2754	\$1,000.00	Laura Klimley
11/11/2003	Fleet General	58792	\$600.00	Laura Klimley
11/19/2003	Fleet General	58859	\$700.00	Laura Klimley
11/24/2003	Fleet General	58899	\$600.00	Laura Klimley
12/2/2003	Fleet General	58940	\$600.00	Laura Klimley
12/9/2003	Fleet General	59003	\$600.00	Laura Klimley
12/16/2003	Fleet General	59043	\$600.00	Laura Klimley
1/5/2004	Fleet General	59171	\$337.50	Laura Klimley
1/5/2004	Fleet General	59173	\$18.75	Laura Klimley
1/6/2004	Fleet General	59292	\$300.00	Laura Klimley
1/23/2004	Fleet General	59403	\$2,242.50	Laura Klimley
1/23/2004	Fleet General	59405	\$70.00	Laura Klimley
2/9/2004	Fleet General	59493	\$700.00	Laura Klimley
2/24/2004	Fleet General	59552	\$1,000.00	Laura Klimley
3/1/2004	Fleet General	59580	\$300.00	Laura Klimley
3/1/2004	Fleet General	59581	\$3,400.00	Laura Klimley
3/9/2004	Fleet General	59629	\$600.00	Laura Klimley
3/15/2004	Fleet General	59652	\$600.00	Laura Klimley
3/30/2004	Fleet General	59750	\$600.00	Laura Klimley
4/1/2004	Fleet General	59802	\$337.50	Laura Klimley
4/1/2004	Fleet General	59804	\$18.75	Laura Klimley
4/5/2004	Fleet General	59923	\$400.00	Laura Klimley
4/5/2004	Fleet General	59924	\$1,842.50	Laura Klimley
4/5/2004	Fleet General	59925	\$70.00	Laura Klimley
4/28/2004	Fleet General	60042	\$1,400.00	Laura Klimley
5/14/2004	Fleet General	60109	\$600.00	Laura Klimley
5/20/2004	Fleet General	60128	\$1,300.00	Laura Klimley
5/26/2004	Fleet General	60148	\$600.00	Laura Klimley
6/29/2001	National Westminster General	2515	\$255.60	Laura Klimley Draw
8/1/2001	National Westminster General	2519	\$800.00	Laura Klimley Draw

From 1999 until 2004, these payments were made to Klimley, although Klimley claimed not to be owed money by the Company and likewise claimed to have no active role with the Company.

21. The Company likewise made at least \$2,434,992.00 of advances and loans to Alicia Eimicke, Maxine Eimicke and Victor Eimicke during this period and at a time that Defendants Klimley, Palmero and Maxine Eimicke had actual knowledge that the Company was insolvent. The officers and directors of the Company, including said Defendants, had full knowledge of these payments as they were clearly reflected in the financial records of the Company. Defendants Klimley, Palmero and Maxine Eimicke reviewed, approved and/or ratified these payments although said Defendants knew these payments to be improper. Furthermore, the recipients of said loans and advances did not repay these loans and advances and had no intention of repaying these loans and advances; a fact known to said Defendants at the time that said loans were reviewed, approved and/or ratified.

22. In addition to the aforesaid payments, the Company during these years, at the direction of the officers and directors of the Company, including Defendants Klimley, Palmero and Maxine Eimicke, permitted Klimley, Maxine Eimicke and Alicia Eimicke run up hundreds of thousands of dollars of charges on the Company's American Express Card for personal expenses which the Company paid. The Company, at the direction of the officers and directors of the Company, including said Defendants, also paid for Maxine Eimicke's, Alicia Eimicke's and Klimley's health insurance; gave Alicia Eimicke the use of corporate vehicles at Company expense; permitted Klimley to utilize the Company's staff to run personal errands and conduct personal business; paid for the personal expenses of Maxine Eimicke and Alicia Eimicke including, automobile services, dining, medical bills, vacations; made large "charitable" donations to the Foundation and other like and equally improper expenditures.

23. On at least a yearly basis, the officers and directors of the Company would meet and approve the continuation of the Company's illegal Note Program; approve the Company's aforesaid illegal dividends and excessive salaries; and review detailed financial records of the Company prepared by Palmero, including but not limited to balance sheets and state and federal income tax returns, that clearly demonstrated the continuing and ever deepening insolvency of the Company; the expansion of the illegal Note Program and the existence of the aforesaid illegal salaries, loans and advances. Specifically, these meeting were held as follows:

(a) Meeting of the Directors on December 5, 1990 at the University Club in New York, New York. At this meeting, at which Alicia Eimicke, Klimley and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of 70 cents a share of common stock; salaries of \$147,832.88 to Alicia Eimicke and \$118,143.16 to Klimley, and payments of \$42,000.00 to Hereford.

(b) Meeting of the Directors on December 4, 1991 at the offices of the Company at East Grassy Sprain Road, Yonkers, New York (hereinafter "Grassy Sprain"). At this meeting, at which Alicia Eimicke, Klimley, Maxine Eimicke and Palmero were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of 70 cents per share of common stock; a dividend of \$2.50 per share of preferred stock; salaries of \$112,396.38 to Alicia Eimicke and \$120,970.16 for Laura Klimley, and payments of \$42,000.00 to Hereford.

(c) Meeting of the Directors on December 2, 1992 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Maxine Eimicke and Palmero were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of 70 cents per share of common stock; a dividend of \$2.50 per share of preferred stock; salaries

of 141,124.88 to Alicia Eimicke; \$114,029.24 for Laura Klimley; \$550,000.00 for Victor Eimicke and \$50,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(d) Meeting of the Directors on December 1, 1993 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Maxine Eimicke and Palmero were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of 70 cents per share of common stock; a dividend of \$2.50 per share of preferred stock; salaries of 188,078.82 to Alicia Eimicke; \$115,546.86 for Laura Klimley; \$550,000.00 for Victor Eimicke and \$50,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(e) Meeting of the Directors on December 7, 1994 at the home of Alicia Eimicke (524 East 72 Street, New York, New York). At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$218,000.00 to Alicia Eimicke; \$116,000.00 for Laura Klimley; \$570,000.00 for Victor Eimicke and \$52,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(f) Meeting of the Directors on December 5, 1995 at the home of Victor and Maxine Eimicke on Hereford Road, Yonkers, New York (hereinafter "Hereford Road"). At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$175,000.00 to Alicia Eimicke; \$56,000.00 for Laura Klimley; \$573,000.00 for Victor Eimicke and \$52,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(g) Meeting of the Directors on December 4, 1996 at Hereford Road. At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of

\$2.50 per share of preferred stock; salaries of \$141,000.00 to Alicia Eimicke; \$43,000.00 for Laura Klimley; \$578,000.00 for Victor Eimicke and \$52,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(h) Meeting of the Directors on December 3, 1997 at Hereford Road. At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$140,000.00 to Alicia Eimicke; \$36,000.00 for Laura Klimley; \$620,000.00 for Victor Eimicke and \$56,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(i) Meeting of the Directors on December 2, 1998 at Hereford Road. At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$140,000.00 to Alicia Eimicke; \$649,000.00 for Victor Eimicke and \$59,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(j) Meeting of the Directors on December 1, 1999 at Hereford Road. At this meeting, at which Alicia Eimicke, Klimley, and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$155,000.00 to Alicia Eimicke; \$550,000.00 for Victor Eimicke and \$50,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(k) A special meeting of the Directors on September 5, 2000, immediately following the death of Victor Eimicke, at Grassy Sprain. At this meeting at which Alicia Eimicke, Klimley, Palmero and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley, Palmero and Maxine Eimicke approved the appointment of Alicia Eimicke to take her late father's position as president of the Company.

(l) Meeting of the Directors on December 6, 2000 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Palmero and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley, Palmero and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$350,000.00 to Alicia Eimicke and \$200,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(m) Meeting of the Directors on December 5, 2001 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Palmero and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley, Palmero and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$390,000.00 to Alicia Eimicke and \$200,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(n) Meeting of the Directors on December 4, 2002 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Palmero and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley, Palmero and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$390,000.00 to Alicia Eimicke and \$200,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford.

(o) Meeting of the Directors on December 3, 2003 at Grassy Sprain. At this meeting, at which Alicia Eimicke, Klimley, Palmero and Maxine Eimicke were in attendance, the directors, including Alicia Eimicke, Klimley, Palmero and Maxine Eimicke, approved a dividend of \$2.50 per share of preferred stock; salaries of \$350,000.00 to Alicia Eimicke and \$200,000.00 for Maxine Eimicke, and payments of \$42,000.00 to Hereford. At this meeting the directors also accepted the resignation of Palmero, who resigned as a director as of December 2, 2003.

At each of the aforesaid meetings, the directors listed in attendance each executed a waiver of notice of meeting and verbally delivered a report in connection with the affairs of the Company. True copies of these meeting minutes are affixed hereto collectively as Exhibit "B".

24. In addition to attending meetings of the Board of Directors, Alicia Eimicke, Klimley and Maxine Eimicke, likewise attended annual meetings of the shareholders of the Company. These meetings were held on the same day as the aforesaid meetings of the Board of Directors. At each such meeting, Alicia Eimicke, Klimley and Maxine Eimicke would appoint themselves directors for the upcoming year and approve the financial records of the Company which clearly disclosed the gross insolvency of the Company; the continued existence and expansion of the Company's illegal Note Program and the increasing inability of the Company to service the interest on the existing Notes let alone pay them off when they became due. Additionally, in some instances, the Company agreed to pay the directors \$500.00 for their appearance at this meeting.

25. In 1982, the Klimley formed Defendant Hereford as its sole incorporator in order to serve as the Company's collection agency. At all times Alicia Eimicke and Klimley were the sole shareholders of the Company (50% each). Although, the Company utilized the offices, staff, equipment, services and supplies of the Company, for which the Company paid, the Company paid Hereford the sum of \$42,000.00 each year from 1990 until and including 2003 as outlined above. Although Klimley claims to have little knowledge of Hereford and no knowledge that Hereford had a duty to make payments to her, Hereford paid both Klimley and Alicia Eimicke a salary each year and likewise paid a dividend. These salaries and dividends roughly totaled the amount of the payment from the Company to Hereford each year and were paid at least in part by monies generated from the Company's illegal Note Program.

26. In an effort to avoid the payment of state and federal income tax, Victor Eimicke, with the full knowledge and consent of Defendants Klimley, Palmero and Maxine Eimicke often, during the time period of 1990-2000, declined to pay himself the salary for which the Board of Directors had concluded, abet wrongfully, that he was entitled and instead took large "loans" from the Company in the approximate amount of the salary that the Board had determined was due. At the time these loans were made said Defendants knew that Victor Eimicke had no intention to repay these loans.

27. In a further effort to avoid the payment of state and federal income tax, Victor and Maxine Eimicke established the "Foundation." Victor and Maxine Eimicke made "gifts" of Notes to the Foundation including the following:

I-098	\$100,000.00
I-116	\$ 500.00
I-115	\$ 10,000.00
I-108	\$ 10,000.00
I-109	\$ 1,000.00
I-110	\$ 1,000.00
I-111	\$ 1,000.00
I-112	\$ 1,000.00
I-113	\$ 500.00
I-120	\$100,000.00
I-121	\$ 14,500.00
I-122	\$ 10,500.00

Defendants Klimley, Palmero and Maxine Eimicke authorized large interest payments in the amount of 15% per annum to the Foundation in connection with these notes from 1990 up to

and including 2003. These payments were made in substantial part from the proceeds of the Company's illegal Note Program and utilized in part for the personal benefit of Maxine and Victor Eimicke.

28. Although the financial records of the Company left no doubt in connection with the abysmal financial condition of the Company, in the event that the officers and directors needed further verification of the financial status of the Company they did not need to look any further than the memorandum that was sent to her by the Company's attorneys on August 28, 2001. A review of this memorandum indicates that as of August, 2001, the Company had a "significant net operating losses totaling approximately \$8.6 million". At this time, according to Hall Dickler, the Company's attorneys, the Company was worth \$11 million and had liabilities of more than double that in the approximate amount of \$ 24 million; \$18 million of which represented "interest-bearing obligations to third party lenders" (i.e. the Note Program). Armed with this straight forward, plain-english, analysis of VWE's gloomy financials, a copy of which was forwarded to Defendants Klimley, Palmero and Maxine Eimicke, the said Defendants could not deny the fact that the Company was deeply insolvent. A true copy of this report is attached herewith as Exhibit "C."

29. Despite having access to the aforesaid detailed financial records of the Company, Defendants Klimley, Palmero and Maxine Eimicke instituted and maintained a policy of not disseminating the aforesaid financial information in connection with the Company to its creditors, including Plaintiffs. Indeed accurate financial information was never provided to the investors in the Note Program. The Company, at the direction of said Defendants, consistently explained to the Plaintiffs and other investors that this practice was not uncommon among "family businesses" and not something to be concerned about given the "long and profitable nature" of the Company. These representations were made and policies maintained in order to

actively conceal the true adverse nature of the Company's financial affairs and the misuse of the assets of the Company by the said Defendants and Victor Eimicke.

30. While the Company actively withheld financial information from the Plaintiffs, the Company, at the direction of officers and directors of the Company, including Defendants Klimley, Palmero and Maxine Eimicke, actively encouraged Plaintiffs to invest in the Company both in person and by telephone in New York and New Jersey by making false and misleading statements in regards to the financial status of the Company.

31. The aforesaid Notes of the Company purchased by the Plaintiffs constitute securities as defined in the Securities Act of 1933, specifically Section 2(1) of the Act, 15 U.S.C.A. § 77b(1). At no time have they been classified as exempt securities under that Act, nor were their sales classified as exempt under the Act.

32. Neither preceding the sales described in this Complaint, nor during negotiation for the sales, did the Company, or its officers and directors, including Defendants Klimley, Palmero and Maxine Eimicke, who controlled the Company, procure express or implied authorization from the Securities and Exchange Commission to sell the above-described securities.

33. At no time did Company or its officers and directors or advisors, including Defendants Klimley, Palmero and Maxine Eimicke, who controlled the Company, comply with the requirements of the Securities Act of 1933, or the regulations promulgated under the Act with respect to the sale or offering for sale of the above-described securities, by filing in the office of the Securities and Exchange Commission any statements or documents required by the Act.

34. At all material times, Defendants Klimley, Palmero and Maxine Eimicke knew or in the alternative recklessly disregarded the adverse information in connection with the Company's losses; excessive officers salaries and compensation; failed to register the subject Notes and make the required disclosures; inability to service the Notes and the insolvency of the

Company as described above, and purposely failed to disclose this information to Plaintiffs and the other investors in the Note Program although said Defendants had a clear duty to do so.

35. At all relevant times Defendants Klimley, Palmero and Maxine Eimicke had an obligation to monitor the activities of each other, and Alicia Eimicke and Victor Eimicke and had a duty to take affirmative steps to stop the spread of false and misleading information, illegal activity and theft by said individuals. Although, however, said Defendants were aware of the false and misleading statements made by the other Defendants, Alicia Eimicke and Victor Eimicke, said Defendants chose to actively assist said individuals in the dissemination of the aforesaid false information and criminal theft as opposed to making any effort to stop the same.

36. Defendant had the opportunity to and did in fact commit and participate in the fraud described herein. As control persons, Defendants Klimley, Palmero and Maxine Eimicke controlled the Company's programs, corporate reporting, contacts and communication with investors, SEC filings or the lack thereof, and other like and material aspects of the Company's operations and disclosures.

37. Defendants Klimley, Palmero and Maxine Eimicke had the motive to commit and participate in the fraud described herein. Said Defendants wanted to and did cover up the undeniable fact that the Note Program was a self serving ponzi scheme, used to support the lavish lifestyles of the Defendants and the Eimicke family. Further each said Defendant had motive to commit and participate in the aforesaid fraud in order to continue the scheme for to stop the same, without having the funds to pay the noteholders, would have revealed the scheme and lead to potential civil and/or criminal liability to the said Defendants and the Eimicke family.

38. As a direct and proximate result of the aforesaid false and misleading statements and Defendants' failure to disclosure the aforesaid non-public adverse information, Plaintiffs invested in the Company in amounts as follows:

<u>Name</u>	<u>VWE Debenture #</u>	<u>Date</u>	<u>Amount</u>
Norman Wald (reinvested on 6/20/02 by way of I-13-37)	I-6-025	6/20/97	\$10,000.00
Estelle Wald (reinvested on 6/20/02 by way of I-13-38)	I-6-026	6/20/97	\$10,000.00
Joanna Wald (reinvested on 6/20/02 by way of I-13-39)	I-6-027	6/20/97	\$10,000.00
Samuel Wald (reinvested on 6/20/02 by way of I-13-40)	I-6-028	6/20/97	\$10,000.00
Andrew Wald (reinvested on 6/20/02 by way of I-13-41)	I-6-029	6/20/97	\$10,000.00
Cynthia Cohain (reinvested on 6/20/02 by way of I-13-033)	I-6-021	6/20/97	\$10,000.00
Dr. David Cohain (reinvested on 6/20/02 by way of I-13-034)	I-6-022	6/20/97	\$10,000.00
Yosaif Cohain (reinvested on 6/20/02 by way of I-13-035)	I-6-023	6/20/97	\$10,000.00
Ariella Cohain (reinvested on 6/20/02 by way of I-13-036)	I-6-024	6/20/97	\$10,000.00
David & Cynthia Cohain (reinvested on 12/21/03 by way of I-15-049)	I-10-24	12/21/98	\$50,000.00
Julia C. Hertlein Trust	I-14-058	12/3/02	\$200,000.00
Julia C. Hertlein Trust	I-14-31A	6/11/02	\$100,000.00
Frank Madonna	I-12-018	7/12/01	\$100,000.00
Frank Madonna	I-12-039	8/23/01	\$30,000.00
Barbara & Jamie Demuth	I-9-003	1/5/98	\$10,000.00

Barbara & Jamie Demuth	I-9-034	10/28/98	\$10,000.00
Barbara & William Demuth	I-10-050	7/7/00	\$5,000.00
Barbara & William Demuth	I-10-052	10/5/01	\$5,000.00
Barbara & William Demuth	I-10-053	7/2/02	\$5,000.00
Barbara & Jamie Demuth	I-10-054	1/5/03	\$10,000.00
Barbara & Jamie Demuth	I-10-055	10/28/03	\$10,000.00
Barbara Demuth	I-11-032	1/4/00	\$5,000.00
Barbara Demuth	I-11-049	4/7/00	\$5,000.00
Barbara Demuth	I-11-075	12/12/01	\$5,000.00
Barbara & Jamie Demuth	I-11-077	1/8/02	\$25,000.00
Barbara & Jamie Demuth	I-11-080	2/15/02	\$5000.00
Barbara & Jamie Demuth	I-11-083	4/4/02	\$5,000.00
Barbara & Jamie Demuth	I-11-84	5/8/02	\$5,000.00
Barbara Demuth	I-11-041	10/3/02	\$5,000.00
Barbara Demuth	I-11-050	1/3/03	\$5,000.00
Barbara Demuth	I-14-075	7/14/03	\$10,000.00
Barbara & William Demuth	I-15-020	7/3/03	\$5,000.00
Katherine & John Hayes (reinvested on 2/1/00 by way of I-11-064)	I-6-014	10/2/95	\$20,000.00
Katherine & John Hayes (reinvested on 4/6/01 by way of I-12-049)	I-6-020	1/2/97	\$30,000.00
Katherine & John Hayes (reinvested on 1/1/04 by way of N-004)	I-10-025	1/1/99	\$20,000.00
Katherine & John Hayes	I-11-64	10/2/00	\$20,000.00
Katherine & John Hayes	I-12-31	4/6/01	\$50,000.00
Fred Ronis		3/15/04	\$70,000.00

Helen Singer		1/1/03	\$50,000.00
Allegra Pagano	I-13-014	7/1/01	\$20,000.00
Allegra Pagano	I-15-027	8/7/03	\$30,000.00
Allegra Pagano	N-022	4/28/04	\$10,000.00
Niccolo Pagano	I-11-051	4/28/00	\$40,000.00
Niccolo Pagano	I-15-028	8/7/03	\$20,000.00
Niccolo Pagano	N-023	4/28/04	\$10,000.00
Carmelina Pagano	I-10-045	7/6/99	\$10,000.00
Carmelina Pagano	I-15-026	8/11/03	\$100,000.00
Maria Pagano	I-14-035	8/7/02	\$20,000.00
Nicola (deceased) and Rosamaria Pagano	I-11-039	2/9/00	\$60,000.00
Nicola (deceased) and Rosamaria Pagano	I-14-028	4/29/02	\$40,000.00
Nicola (deceased) and Rosamaria Pagano	I-14-034	8/7/02	\$50,000.00
Nicola (deceased) and Rosamaria Pagano	I-14-074	6/11/03	\$50,000.00
Nicola (deceased) and Rosamaria Pagano	N-016	4/1/04	\$50,000.00
Patrick Clark	I-12-021	3/15/06	\$5,000.00
Jamie & Patrick Clark	I-10-044	6/3/04	\$15,000.00
Amanda & Jamie Clark	I-14-063	3/16/06	\$3,000.00
Patrick Clark	I-12-045	12/11/06	\$1,000.00
Jamie Clark	I-13-018	12/11/06	\$15,000.00
Laura Herz		2/31/2002	\$75,000.00
Laura Herz		10/22/02	\$200,000.00

Laura Herz	6/11/02	\$100,000.00
Laura Herz	5/31/02	\$125,000.00
Laura Herz		
Estelle M. Wald Revocable Trust	6/26/02	\$200,000.00
Joanna Wald	8/3/03	\$6,000.00
Andrew Wald	8/3/03	\$6,000.00
Samuel Wald	8/3/03	\$6,000.00
Ariella Cohain	8/3/03	\$6,000.00
Yosaif Cohain	8/3/03	\$6,000.00
Cynthia Cohain	8/3/03	\$100,000.00
Estelle Wald	6/20/02	\$10,000.00
Norman Wald	6/20/02	\$10,000.00
Joanna Wald	6/20/02	\$10,000.00
Andrew Wald	6/20/02	\$10,000.00
Samuel Wald	6/20/02	\$10,000.00
Cynthia Cohain	6/20/02	\$10,000.00
David Cohain	6/20/02	\$10,000.00
Ariella Cohain	6/20/02	\$10,000.00
Yosaif Cohain	6/20/02	\$10,000.00

The principal amounts of the aforesaid investments, plus interest at the rate of 15% per annum (the amount of interest set forth in the subject debentures) are presently due and owing Plaintiffs.

39. The Company has admitted that the Plaintiffs invested the aforesaid sums in the Note Program and that as of the time of Company's bankruptcy filing said sums were unpaid. These admissions are contained in the Company's Schedule F of its June, 2004 filing in the United States Bankruptcy Court for the Southern District of New York.

40. Plaintiffs relied on the aforesaid representations to their detriment and would not have invested any sum with the Company in the event that the true nature of the Company's financial affairs and illegal activities were disclosed. Instead, in reliance on said representations of the Defendants Klimley, Palmero and Maxine Eimicke, Plaintiffs invested with the Company.

41. Given the current financial condition of the Company and Defendants' aforesaid unlawful practices there is little or no possibility that the Company will successfully emerge from its Chapter 11 bankruptcy filing or generate any meaningful sum from the sale of its assets for the repayment of Plaintiffs.

42. In November, 2004, an involuntary bankruptcy proceeding was commenced against Defendant Maxine Eimicke in the United States Bankruptcy Court for the Southern District of New York, Case No. 04-23765. By way of this bankruptcy filing, Maxine Eimicke admits to being personally liable for all of the above listed debts as she specifically disclosed the Plaintiffs herein as creditors and set forth the amounts owed to Plaintiffs as the amounts listed above plus interest through and including the date of her bankruptcy filing. Due to her repeated attempts to conceal her assets from the United States Trustee, Maxine Eimicke was denied a discharge on May 15, 2008 thus permitting this action to proceed against her.

43. In October, 2007, Alicia Eimicke was criminally indicted on 35 counts of theft over \$50,000.00, securities fraud and racketeering. On March 28, 2008, Alicia Eimicke pled guilty to all 35 counts thereby admitting that she had stolen, while president of the Company and

while under the control and supervision of Defendants, over 9 million dollars from investors in the Note Program, including Plaintiffs, as part of the Company's illegal ponzi scheme.

Defendants each either knew or should have known of Alicia Eimicke's theft as the amounts of Alicia Eimicke's withdrawals were clearly reflected in the financial records of the Company which were prepared by Palmero and reviewed and approved by Maxine Eimicke and Klimley. Despite this knowledge, however, and despite having the power to do so, Defendants made no efforts to stop Alicia Eimicke in her criminal pursuits and in fact both directly and indirectly actively encouraged her to continue. Indeed, Plaintiffs state upon information and belief that a substantial portion of the money that Alicia Eimicke admitted to stealing was used to make the illegal distributions to Klimley and Maxine Eimicke set forth above.

FIRST CAUSE OF ACTION

(Violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5)

44. Plaintiffs incorporate the averments set forth in paragraphs one (1) through forty-three (43) of the Complaint as if fully rewritten hereunder.

45. As set forth above, the Company, and its officers and directors and advisors, including Defendants Klimley, Palmero and Maxine Eimicke, have employed the aforesaid devices, schemes and artifices in a deliberate effort to defraud the investors in the Note Program, including Plaintiffs.

46. As further set forth above, the Company, and its officers and directors and advisors, including Defendants Klimley, Palmero and Maxine Eimicke, have deliberately made false statements in connection with the financial status of the Company and omitted key financial data that they had a duty to disclose in an attempt to defraud the investors in the Note Program, including Plaintiffs.

47. As further set forth above, the Company, or its officers and directors, including Defendants Klimley, Palmero and Maxine Eimicke, have engaged in acts, practices and in a willful course of business in order to practice a fraud and otherwise deceive the investors in the Note Program, including Plaintiffs.

48. By reason of the foregoing, Defendants Klimley, Palmero and Maxine Eimicke have violated Rule 10b-5 of the Security Exchange Act of 1934.

49. Plaintiffs state that Defendants Klimley, Palmero and Maxine Eimicke actively concealed from Plaintiffs the nature and extent of their fraud and scope of their involvement in the Company. Said involvement was not discovered and could not have been reasonably discovered by Plaintiffs until at the earliest the closure of the Company in July, 2006.

50. As a direct and proximate result of said violations, Plaintiffs have been damaged in the amounts set forth herein.

SECOND CAUSE OF ACTION
(Violation of Section 20(a) of the Securities Exchange Act of 1934)

51. Plaintiffs incorporate the averments contained in paragraphs one (1) through fifty (50) of the Complaint as if fully rewritten hereunder.

52. Defendants Klimley, Palmero and Maxine Eimicke acted as a controlling person of the Company within the meaning of § 20(a) of the Securities Exchange Act and had the power and influence and exercised the same to cause the Company to engage in the violations of the Securities Exchange Act set forth above.

53. As a direct and proximate result of said violations, Plaintiffs have been damaged in the amounts set forth herein.

THIRD CAUSE OF ACTION
(Fraud)

54. Plaintiffs incorporate the averments set forth in paragraphs one (1) through fifty-three (53) of the Complaint as if fully rewritten hereunder.

55. Plaintiffs further state that at the time that Plaintiffs made their aforesaid investments in the Company, the Company was insolvent. As a result of said insolvency, Defendants Klimley, Palmero and Maxine Eimicke owed a fiduciary duty to creditors of the Company, including but not limited to Plaintiffs, to disclose the true financial condition of the Company.

56. Plaintiffs state that Defendants Klimley, Palmero and Maxine Eimicke purposely with intent to defraud Plaintiffs, failed to disclose and in fact took steps to actively conceal the true financial status of the Company from Plaintiffs. Furthermore, Defendants Klimley, Palmero and Maxine Eimicke all actively, and with intent to defraud Plaintiffs, actively aided in the spread of the aforesaid false and misleading statements in connection with the financial status of the Company. Still further the Defendants actively concealed and failed to disclose to Plaintiffs the purposes for which Plaintiffs funds were to be used.

57. Plaintiffs further state that Plaintiffs reasonably relied on the misrepresentations and believed that as they had been told that they were “friends of the family” that their interests were being actively protected by Defendants Klimley, Palmero and Maxine Eimicke. In the absence of these representations and/or in the event that Plaintiffs knew the true financial condition of the Company and/or the manner in which said Defendants caused their funds to be utilized, Plaintiffs would not have invested in the Company.

58. Plaintiffs further state that as a direct and proximate result of said misrepresentations and willful omissions, Plaintiffs have suffered harm in the amounts of their aforesaid investments, the loss of business opportunity, loss of quality of life, loss of financial security, extreme emotional distress and other like and similar harms.

FOURTH CAUSE OF ACTION
(Recovery of Fraudulent Conveyances)

59. Plaintiffs incorporate the averments set forth in paragraphs one (1) through fifty-eight (58) of the Complaint as if fully rewritten hereunder.

60. All payments and transfers to Alicia Eimicke, Maxine Eimicke, Klimley, Hereford and the Foundation as set forth above made within six (6) years of the date of this Complaint were made in violation of Article 10 of the New York Debtor-Creditor Law as they (a) constitute transfers of an interest of the property acquired by the Company; (b) at a time when the Company was insolvent and was left with an unreasonably small amount of capital with which to conduct its business; (c) with actual intent to hinder, delay and defraud the creditors of the Company, including Plaintiffs; and (d) without receipt by the Company of fair consideration from the transferee.

61. As a direct and proximate result of said fraudulent transfers, Plaintiffs have been damaged in the full amount of Plaintiffs' investments plus interest at the rate of 15% per annum and reasonable attorneys fees.

FIFTH CAUSE OF ACTION
(Waste of Corporate Assets)

62. Plaintiffs incorporate the averments set forth in paragraphs one (1) through sixty - one (61) of the Complaint as if fully set forth herein.

63. Defendants Klimley, Palmero and Maxine Eimicke wasted the assets of the Company in following respects:

a. by failing to act in the best interest of the Company and its creditors, including Plaintiffs;

b. by failing to protect the Company's assets for the benefit of its creditors, including Plaintiffs;

- c. by transferring or permitting the transfer of the Company's assets to or for the benefit of themselves and/or the Eimicke family;
- d. by failing to carry out their duties as officers and directors with reasonable care and prudence;
- e. by directing the affairs of the Company for their personal benefit and for the benefit of the Eimicke family;
- f. by permitting and encouraging Alicia Eimicke to steal over nine million dollars from the creditors of the Company for their benefit and the benefit of Alicia Eimicke and the Eimicke family.
- g. by failing to exercise the independent judgment required of directors and officers under New York law;
- h. by receiving the benefit or and/or authorizing and/or ratifying the aforesaid illegal loans, advances, salaries and dividends;
- i. by causing and/or permitting the issuance of the Notes and the continuation and expansion of the Note Program, including but not limited to the said Notes issues to Plaintiffs.

64. The aforesaid actions and omissions constitute corporate waste and violations of their duties under New York Business Corporation Law for which Defendants Klimley, Palmero and Maxine Eimicke are personally liable to Plaintiffs up to and including the full amount of Plaintiffs investment plus interest at the rate of 15% per annum and reasonable attorneys fees.

SIXTH CAUSE OF ACTION
(Self Dealing and Deepening Insolvency)

65. Plaintiffs incorporate the averments contained in paragraphs one (1) through sixty-four (64) of the Complaint as if fully rewritten hereunder.

66. The aforesaid acts and omissions of Defendants Klimley, Palmero and Maxine Eimicke constitute self-dealing to the detriment of the creditors of the Company, including Plaintiffs, at a time when the Company was insolvent or in the zone of insolvency in violation of said Defendants duty to the creditors of the company, including Plaintiffs.

67. As a direct and proximate result of said self-dealing and said Defendants' active scheme to defraud Plaintiffs, Plaintiffs have been damaged in the full amount of Plaintiffs' investments, plus interest at the rate of 15% per annum and reasonable attorneys fees.

SEVENTH CAUSE OF ACTION
(Civil Conspiracy)

68. Plaintiffs incorporate the averments set forth in paragraphs one (1) through sixty-seven (67) of the Complaint as if fully rewritten hereunder.

69. Plaintiffs further state that the aforesaid course of unlawful conduct of all Defendants constituted a malicious combination of individuals which purposely and without lawful excuse deprived Plaintiffs of property through a pattern of fraud and corrupt activity.

70. Plaintiffs further state that as a direct and proximate result of said civil conspiracy Plaintiffs have suffered harm as set forth in herein.

EIGHTH CAUSE OF ACTION
(Breach of Fiduciary Duties)

71. Plaintiffs incorporate the averments contained in paragraphs one (1) through seventy (70) of the Complaint as if fully rewritten hereunder.

72. At all times relevant to the subject matter of this Complaint, Defendants Klimley, Palmero and Maxine Eimicke had a fiduciary duty to Plaintiffs due to the close relationship of trust between the parties and due to the fact that Plaintiffs were creditors of an insolvent corporation. This duty included the duty to direct the affairs of the Company in a honest and

prudent manner; insure that the capital of the Company was expended in a proper, honest and efficient manner; the duty to affirmatively disclose to Plaintiffs the true financial condition of the Company; and the duty to prevent the Company and its officers, directors and control persons from engaging in unlawful acts, including but not limited to the illegal sales of unregistered debentures.

73. Plaintiffs state that said Defendants have knowingly, willfully and intentionally breached each of the aforesaid duties and as a direct and proximate result of said breach, Plaintiffs have suffered the harm set forth herein.

NINTH CAUSE OF ACTION
(Engaging in a pattern of racketeering activity)

74. Plaintiff incorporates the averments contained in paragraphs one (1) through seventy-three (73) as if fully rewritten hereunder.

75. The aforesaid actions and omissions of Defendants constitute illegal actions in violation of the aforesaid securities laws of the United States of America and the State of New York. The aforesaid actions and omissions of Defendants constitute willful and intentional violations of 18 U.S.C.S. §1956 (Laundering of Monetary Instruments); 26 U.S.C. § 7206 (2) prohibiting the willful giving of aid and assistance in connection with the preparation and presentation of fraudulent and/or false returns; conspiracy to commit criminal violations of federal and state securities laws; aiding and abetting criminal theft; conspiracy to commit criminal theft; aiding and abetting the commission of criminal violations of federal and state securities laws; conducting an illegal ponzi scheme and other like violations.

76. The aforesaid use of the mails and interstate wires in furtherance of Defendant's aforesaid fraudulent scheme violated the federal mail fraud and federal wire fraud statutes as set forth in 18 U.S.C. §§1341 and 1343.

77. Each of the aforesaid actions and omissions constitute “racketeering activity” within the meaning of 18 U.S.C. §1961(1). Collectively said violations, which were carried out over an extended period of time, constitute a “pattern of racketeering activity” within the meaning of 18 U.S.C. § 1961(5).

78. The operations of Defendants as set forth in this complaint and the operation of the Company constitute an enterprise within the meaning of 18 U.S.C. §1961(4) that engages in and/or affects interstate commerce.

79. The Defendants are “persons” within the meaning of 18 U.S.C. §1961(3) who conducted, participated in, operated, managed and/or controlled the affairs of the enterprise through a pattern of racketeering activity, in violation of 18 U.S.C. §1962 (c).

80. Plaintiffs have been injured in their business and property as a direct and proximate result of the aforesaid violation of 18 U.S.C. §1962 (c) in the amounts set forth above.

81. By reason of the aforesaid violation of 18 U.S.C. §1962 (c) the Defendants are liable to Plaintiffs for three times the damages sustained by Plaintiffs and the costs of this action including but not limited to reasonable attorneys’ fees.

WHEREFORE, Plaintiffs pray for judgment against Defendant for compensatory damages in the amounts set forth above. Plaintiffs further pray that this award be trebled in accordance with the provisions of the Racketeering Influenced and Corrupt Organizations Act.

Plaintiffs further pray for an award of punitive damages against Defendants in the amount of Twenty Million Dollars (\$20,000,000.00); the costs of this action including but not limited to reasonable attorneys fees; and for such further and additional relief as Plaintiffs may be entitled at law or in equity.

Respectfully Submitted

REICH REICH & REICH, P.C.

By: 

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(Note: An application for admission to
this Court for Mr. Reiling pro hac vice will be
made when a Judge is assigned to this case.)

JURY DEMAND

Plaintiffs hereby demand trial by jury on all issues so triable.


LAWRENCE R. REICH (LR-9337)

Officer Salaries - Past 10 Years

FY	Officer	Accrued	Paid	Unpaid
2004	Maxine Elmcke	\$200,000	\$200,400	(\$9,400)
	Alicia Elmcke	\$377,125	\$388,814	\$8,309
	Total	\$577,125	\$579,214	(\$1,091)
2003	Maxine Elmcke	\$200,000	\$200,000	\$0
	Alicia Elmcke	\$387,620	\$387,620	\$0
	Total	\$587,620	\$587,620	\$0
2002	Maxine Elmcke	\$200,000	\$195,000	\$4,000
	Alicia Elmcke	\$345,382	\$345,382	\$0
	Total	\$545,382	\$540,382	\$4,000
2001	Victor W. Elmcke	\$550,000	\$40,000	\$510,000
	Maxine Elmcke	\$50,000	\$0	\$50,000
	Alicia Elmcke	\$155,548	\$155,548	\$0
	Total	\$755,548	\$195,548	\$560,000
2000	Victor W. Elmcke	\$640,000	\$187,000	\$452,000
	Maxine Elmcke	\$50,000	\$0	\$50,000
	Alicia Elmcke	\$141,125	\$141,125	\$0
	Total	\$831,125	\$328,125	\$502,000
1999	Victor W. Elmcke	\$550,000	\$208,000	\$342,000
	Maxine Elmcke	\$50,000	\$0	\$50,000
	Alicia Elmcke	\$141,125	\$141,125	\$0
	Laura Klimley	\$36,000	\$36,000	\$0
	Total	\$777,125	\$385,125	\$392,000
1998	Victor W. Elmcke	\$578,600	\$108,000	\$472,600
	Maxine Elmcke	\$52,000	\$0	\$52,000
	Alicia Elmcke	\$141,812	\$141,812	\$0
	Laura Klimley	\$43,170	\$43,170	\$0
1997	Total	\$815,582	\$293,082	\$522,500
	Victor W. Elmcke	\$573,449	\$349	\$573,100
	Maxine Elmcke	\$52,457	\$367	\$52,100
	Alicia Elmcke	\$174,473	\$174,473	\$0
	Laura Klimley	\$56,348	\$56,348	\$0
1996	Total	\$856,727	\$231,527	\$625,200
	Victor W. Elmcke	\$570,733	\$121,383	\$449,350
	Maxine Elmcke	\$52,357	\$11,507	\$40,850
	Alicia Elmcke	\$217,847	\$217,847	\$0
	Laura Klimley	\$115,589	\$115,589	\$0
1995	Total	\$956,526	\$466,326	\$490,200
	Victor W. Elmcke	\$563,684	\$561,464	\$2,200
	Maxine Elmcke	\$51,689	\$51,499	\$200
	Alicia Elmcke	\$215,958	\$215,958	\$0
	Laura Klimley	\$118,345	\$118,345	\$0
1994	Total	\$949,686	\$947,266	\$2,400

Schedule of Loans / Advances - Office of the Clerk of the Court									
FY Ending 6/30/2007									
	Loans	Draw	Loans	Draw	Loans	Draw	Loans	Draw	Loans
Maxine Elmick									
Beginning Balance:	\$ 105,000	\$ 20,830	\$ 101,260	\$ (245,082)	\$ 98,250	\$ (890,973)	\$ 95,250	\$ (506,087)	\$ 90,250
Loans / Advances To/From	\$ -	\$ 50,588	\$ -	\$ 387,938	\$ -	\$ 310,008	\$ -	\$ 208,788	\$ (250,039)
Repayments	\$ (3,750)	\$ (59,900)	\$ (5,000)	\$ (381,909)	\$ (3,000)	\$ (22,109)	\$ (16,000)	\$ (475,000)	\$ (46,181)
Accrued Payroll / Unpaid Salary	\$ -	\$ (250,000)	\$ -	\$ (600,000)	\$ -	\$ (4,000)	\$ -	\$ 8,000	\$ -
Assumptions of VWE Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,080,819
Ending Balance:	\$ 101,250	\$ (245,082)	\$ 96,250	\$ (869,973)	\$ 95,250	\$ (506,087)	\$ 90,250	\$ (506,087)	\$ 84,068
FY Ending 6/30/2008									
Alicia Elmick									
Beginning Balance:	\$ (16,284)	\$ 132,151	\$ (16,284)	\$ 106,081	\$ (16,284)	\$ 440,259	\$ 433,716	\$ 57,726	\$ 415,716
Loans / Advances To/From	\$ -	\$ 91,100	\$ -	\$ 294,908	\$ 450,000	\$ 98,278	\$ -	\$ 93,271	\$ -
Repayments	\$ -	\$ (27,200)	\$ -	\$ (20,707)	\$ -	\$ (476,980)	\$ (18,000)	\$ (115,320)	\$ (18,000)
Ending Balance:	\$ (16,284)	\$ 196,051	\$ (16,284)	\$ 440,259	\$ 433,716	\$ 97,278	\$ 415,716	\$ 25,677	\$ 397,716
FY Ending 6/30/2009									
Laura Minnley									
Beginning Balance:	\$ (32,844)	\$ (38,384)	\$ (100,570)	\$ (32,709)	\$ (117,703)	\$ (28,744)	\$ (133,880)	\$ (27,283)	\$ (153,560)
Loans / Advances To/From	\$ (17,728)	\$ 38,160	\$ (17,185)	\$ 30,987	\$ (15,855)	\$ 32,132	\$ -	\$ 38,138	\$ (33,024)
Repayments	\$ -	\$ (29,565)	\$ -	\$ (28,942)	\$ -	\$ (30,860)	\$ -	\$ (57,476)	\$ -
Ending Balance:	\$ (100,570)	\$ (32,789)	\$ (117,703)	\$ (20,744)	\$ (133,500)	\$ (27,202)	\$ (133,880)	\$ (46,589)	\$ (187,214)
FY Ending 6/30/2010									
Victor W. Elmick									
Beginning Balance:	\$ 1,331,048	\$ 2,633,907	\$ 1,269,331	\$ 438,682	\$ 1,205,726	\$ 522,008	\$ 1,135,051	\$ 527,401	\$ 1,080,819
Loans / Advances To/From	\$ -	\$ 332,515	\$ -	\$ 44,018	\$ -	\$ 4,501	\$ -	\$ -	\$ -
Repayments	\$ (62,717)	\$ (25,800)	\$ (82,505)	\$ -	\$ (75,775)	\$ -	\$ (98,182)	\$ -	\$ -
Accrued Payroll / Unpaid Salary	\$ -	\$ (2,502,000)	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to ME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to LTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance:	\$ 1,268,331	\$ 438,692	\$ 1,205,726	\$ 522,008	\$ 1,205,726	\$ 527,401	\$ 1,080,819	\$ 527,401	\$ 1,080,819

(1) Amount Debtor owes Credit Sibling Trust while Victor Elmick

MINUTES
OF
THE THIRTY-THIRD ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

The Thirty-third Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at The University Club, 1 West 54th Street, New York, New York, on Wednesday, the 5th of December 1990, at 10:30 a.m. of that day.

The following directors were present:

Alicia E. Barbiari

Maxine Eimicke

Victor W. Eimicke

Laura E. Klimley

Harold Levy

Mr. Irving Herz asked to be excused because he is in Florida.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 26, 1990, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A."

The Secretary read the Minutes of the Thirty-second Annual Meeting of the Directors of the Corporation which was held on December 21, 1989.

The President read the Minutes of the Thirty-third Annual Meeting of the Stockholders of the Corporation.

- 2 -

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the activities of the Corporation including the Corporation's marketing approach.

Mrs. Klimley reported on list management, and organizational structure/personnel.

Mrs. Barbieri reported on the Christmas Card business, Tax Forms business and the results of her trip to London and Montpellier. Mrs. Barbieri described in detail the various transactions between the Corporation and its Licensees.

The Directors were pleased with these accomplishments.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1990. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1990 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that the Corporation shall pay a dividend of seventy cents a share on Class A and Class B Common Stock on December 15, 1990 to shareholders of record at June 30, 1990, and

- 3 -

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

	<u>Record Date</u>	<u>Payment Date</u>
March	13, 1991	April 2, 1991
June	14, 1991	July 2, 1991
September	12, 1991	October 1, 1991
December	12, 1991	January 2, 1992

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Vice President, be \$ 147,832.88 per annum, effective July 1, 1991, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 118,143.16 per annum, effective July 1, 1991, and

"FURTHER RESOLVED, that year-end bonuses to Alicia Eimicke Barbieri and Laura Eimicke Klimley of \$ _____ and \$ _____ respectively be approved for payment on or after January 1, 1992."

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ _____ per annum, effective July 1, 1991, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ _____ per annum, effective July 1, 1991."

The Treasurer reviewed in detail the following management fees:

1. \$ 425,000.00 per annum from V. W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000.00 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.


- 4 -

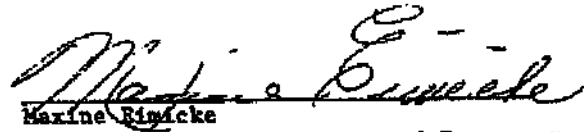
On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the management fee of \$ 425,000.00 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000.00 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting,
the Meeting was duly adjourned.

Dated: Yonkers, New York
December 5, 1990


Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting


Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

MINUTES
OF
THE THIRTY-FOURTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

The Thirty-fourth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at 35 East Grassy Sprain Road, Yonkers, New York on Wednesday, the 4th of December 1991, at 2:00 p.m. of that day.

The following directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Irving Herz
Laura E. Klimley

Mr. Harold Levy was absent because of illness.

The Company's controller was present by invitation.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 25, 1991, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A."

The Secretary read the Minutes of the Thirty-third Annual Meeting of the Directors of the Corporation which was held on December 5, 1990.

The President read the Minutes of the Thirty-fourth Annual Meeting of the Stockholders of the Corporation.

- 2 -

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's marketing approach which has been adapted to the current recessionary conditions.

Mrs. Klimley reported on list management, organizational structure/personnel, and legal posters.

Mrs. Barbieri reported on the Christmas Card business, Tax Forms business and the results of her and the President's June trip to London and Montpellier. Mrs. Barbieri also reported that the company's U.K. licensee would be visiting Yonkers December 5. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for foreign expansion.

The Directors were pleased with these accomplishments.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1991. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1991 as prepared under the supervision of the Corporation's Controller, and

- 3 -

"FURTHER RESOLVED, that the Corporation shall pay a dividend of seventy cents a share on Class A and Class B Common Stock on December 16, 1991 to shareholders of record at June 30, 1991, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 13, 1992	April 2, 1992
June 12, 1992	July 2, 1992
September 11, 1992	October 1, 1992
December 14, 1991	January 4, 1993

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 112,596.32 per annum, effective July 1, 1992, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 120,970.14 per annum, effective July 1, 1992, and

"FURTHER RESOLVED, that year-end bonuses to Alicia Eimicke Barbieri and Laura Eimicke Klimley of \$ - and \$ - respectively be approved for payment on or after January 1, 1993, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ - per annum, effective July 1, 1992, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ - per annum, effective July 1, 1992."

The Treasurer reviewed in detail the following management fees:

1. \$ 579,000.00 per annum from V. W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000.00 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

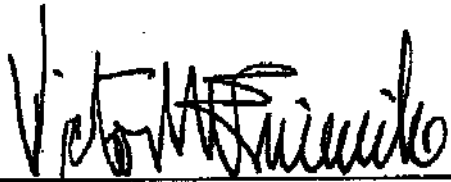
- 4 -

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the management fee of \$ 579,000.00 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000.00 per annum from the corporation to Hersford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting,
the Meeting was duly adjourned.

Dated: Yonkers, New York
December 4, 1991



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

MINUTES
OF
THE THIRTY-FIFTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

The Thirty-fifth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at 35 East Grassy Sprain Road, Yonkers, New York on Wednesday, the 2nd of December 1992, at noon of that day.

The following directors were present:

Alicia E. Barbieri

Maxine Eimicke

Victor W. Eimicke

Irving Herz

Laura E. Klimlay

The Company's controller was present by invitation.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 23, 1992, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A."

The Secretary read the Minutes of the Thirty-fourth Annual Meeting of the Directors of the Corporation which was held on December 4, 1991.

The President read the Minutes of the Thirty-fifth Annual Meeting of the Stockholders of the Corporation.

- 2 -

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's marketing approach which has been adapted to the current recessionary conditions and to the substantial postal increases.

Mrs. Klimley reported on list management, organizational structure/personnel, legal posters, and telemarketing.

Mrs. Barbieri reported on the Christmas Card business, Tax Forms business, and the status of franchisees. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for foreign expansion.

The Directors were pleased with these accomplishments.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1992. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1992 as prepared under the supervision of the Corporation's Controller, and

- 3 -

"FURTHER RESOLVED, that the Corporation shall pay a dividend of seventy cents a share on Class A and Class B Common Stock on December 16, 1992 to shareholders of record at June 30, 1992, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 12, 1993	April 2, 1993
June 11, 1993	July 2, 1993
September 10, 1993	October 1, 1993
December 10, 1993	January 4, 1994

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 141,124.88 per annum, effective July 1, 1993, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 114,029.24 per annum, effective July 1, 1993, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 550,000.00 per annum, effective July 1, 1993, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 50,000.00 per annum, effective July 1, 1993."

The Treasurer reviewed in detail the following management fees:

1. \$ 570,500.00 per annum from V. W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000.00 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.


- 4 -

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the management fee of \$570,500.00
per annum from V. W. Eimicke Ltd. to the Corporation, and
the credit services fee of \$42,000.00 per annum from
the corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting,
the Meeting was duly adjourned.

DATED: Yonkers, New York
December 2, 1992



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Marine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

MINUTES
OF
THE THIRTY-SIXTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

The Thirty-Sixth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at 35 East Grassy Sprain Road, Yonkers, New York on Wednesday, the 1st of December 1993, at 9:00 a.m. of that day.

The following directors were present:

Alicia E. Barbieri

Maxine Eimicke

Victor W. Eimicke

Laura E. Klimley

The Company's controller was present by invitation.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 22, 1993, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A."

The Secretary read the Minutes of the Thirty-Fifth Annual Meeting of the Directors of the Corporation which was held on December 2, 1992.

The President read the Minutes of the Thirty-Sixth Annual Meeting of the Stockholders of the Corporation.

- 2 -

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach.

Mrs. Klimley reported on list management, organizational structure/personnel, legal posters, and telemarketing.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, and the status of franchisees. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for foreign expansion, including the former Soviet Union.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and were pleased with the progress that has been made.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1993. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1993 as prepared under the supervision of the Corporation's Controller, and

- 3 -

"FURTHER RESOLVED, that the Corporation shall pay a dividend of seventy cents a share on Class A and Class B Common Stock on December 16, 1993 to shareholders of record at June 30, 1993, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 11, 1994	April 1, 1994
June 10, 1994	July 1, 1994
September 9, 1994	October 3, 1994
December 9, 1994	January 3, 1995

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 188,078.82 per annum, effective July 1, 1994, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 115,546.86 per annum, effective July 1, 1994, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 550,000 per annum, effective July 1, 1994, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 50,000 per annum, effective July 1, 1994."

The Treasurer reviewed in detail the following management fees:

1. \$ 569,000.00 per annum from V. W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 43,000.00 per annum from the Corporation to Harsford Credit and Collection Agency, Inc. for credit services.

- 4 -

On motion duly made and seconded, it was unanimously:

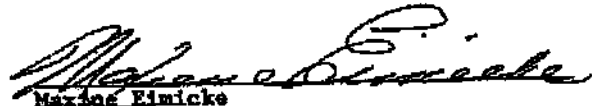
"RESOLVED, to approve the management fee of \$ 569,000.00 per annum from V. W. Elmick Ltd. to the Corporation, and the credit services fee of \$ 42,000.00 per annum from the corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting,
the Meeting was duly adjourned.

DATED: Yonkers, New York
December 1, 1993



Victor W. Elmick
President of the Corporation, and
Chairman of the Meeting



Maxine Elmick
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

MINUTES
OF
THE THIRTY-SEVENTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

The Thirty-Seventh Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's Executive Vice President, 524 East 72 Street, New York, N.Y., on Wednesday, the 7th of December, 1994, at 5:30 p.m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimlay

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 15, 1994, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A."

The Secretary read the Minutes of the Thirty-Sixth Annual Meeting of the Directors of the Corporation which was held on December 1, 1993.

The President read the Minutes of the Thirty-Seventh Annual Meeting of the Stockholders of the Corporation.

- 2 -

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach.

Mrs. Klimley reported on list management, organizational structure/personnel, legal posters, and telemarketing.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, and the status of franchisees. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for expansion.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and were pleased with the progress that has been made.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1994. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1994 as prepared under the supervision of the Corporation's Controller, and

- 3 -

\$ FOR
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"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 9, 1995	April 3, 1995
June 8, 1995	July 3, 1995
September 8, 1995	October 2, 1995
December 8, 1995	January 2, 1996

"FURTHER RESOLVED, that the salary of Alicia Elmick Barbieri, Executive Vice President, be \$ 218,000 per annum, effective July 1, 1995, and

"FURTHER RESOLVED, that the salary of Laura Elmick Klimley, Vice President, be \$ 116,000 per annum, effective July 1, 1995, and

"FURTHER RESOLVED, that the salary of Victor W. Elmick, President, be \$ 570,000 per annum, effective July 1, 1995, and

"FURTHER RESOLVED, that the salary of Maxine Elmick, Vice President, Secretary and Treasurer, be \$ 52,000 per annum, effective July 1, 1995."

The Treasurer reviewed in detail the following management fees:

1. \$ 569,000 per annum from V. W. Elmick Ltd. to V. W. Elmick Associates, Inc.
2. \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

- 4 -

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the management fee of \$ 549,000 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting,
the Meeting was duly adjourned.

DATED: New York, New York
December 7, 1994



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
THE THIRTY-EIGHTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Thirty-Eighth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's President, 20 Hereford Road, Bronxville, N. Y., on Tuesday, the 5th of December, 1995, at 5:30 p.m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimley

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 15, 1995, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Thirty-Seventh Annual Meeting of the Directors of the Corporation which was held on December 7, 1994.

The President read the Minutes of the Thirty-Eighth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Himicke
Vice President	Maxine Himicke
Vice President	Laura Himicke Klimley
Executive Vice President	Alicia Himicke Barbieri
Secretary	Maxine Himicke
Treasurer	Maxine Himicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach.

Mrs. Klimley reported on list management, organizational structure/personnel, legal posters and telemarketing.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, and the status of franchisees. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for expansion.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and were pleased with the progress that has been made.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1995. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Himicke Associates, Inc. for the year ended June 30, 1995 as prepared under the supervision of the Corporation's Controller, and

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"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 8, 1996	April 3, 1996
June 7, 1996	July 3, 1996
September 9, 1996	October 2, 1996
December 9, 1996	January 2, 1997

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 175,000 per annum, effective July 1, 1996, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 56,000 per annum, effective July 1, 1996, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 573,000 per annum, effective July 1, 1996, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 52,000 per annum, effective July 1, 1996".

The Treasurer reviewed in detail the following management fees:

1. \$ 571,000 per annum from V.W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the management fee of \$ 571,000 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Bronxville, New York
December 5, 1995



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
THE THIRTY-NINTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Thirty-Ninth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's President, 20 Hereford Road, Bronxville, N. Y., on Wednesday, the 4th of December, 1996, at 5:30 p.m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimley

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 15, 1996, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Thirty-Eighth Annual Meeting of the Directors of the Corporation which was held on December 5, 1995.

The President read the Minutes of the Thirty-Ninth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Himicke
Vice President	Maxine Himicke
Vice President	Laura Himicke Klimley
Executive Vice President	Alicia Himicke Barbieri
Secretary	Maxine Himicke
Treasurer	Maxine Himicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach.

Mrs. Klimley reported on list management and organizational structure/personnel.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for expansion in calendar year 1997.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and were pleased with the progress that has been made.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1996. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Himicke Associates, Inc. for the year ended June 30, 1996 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 6, 1997	April 1, 1997
June 5, 1997	July 1, 1997
September 8, 1997	October 1, 1997
December 9, 1997	January 2, 1998

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 141,000 per annum, effective July 1, 1997, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 43,000 per annum, effective July 1, 1997, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 578,000 per annum, effective July 1, 1997, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 52,000 per annum, effective July 1, 1997".

The Treasurer reviewed in detail the following management fees:

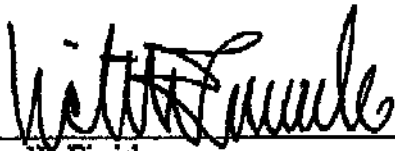
1. \$ 571,000 per annum from V.W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000 per annum from the Corporation to Hartford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

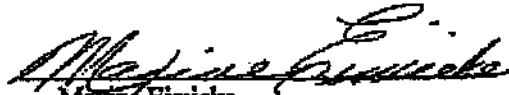
"RESOLVED, to approve the management fee of \$ 571,000 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Bronxville, New York
December 4, 1996



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
THE FORTIETH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Fortieth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's President, 20 Hereford Road, Bronxville, N. Y., on Wednesday, the 3rd of December, 1997, at 5:30 p.m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimley

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 14, 1997, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Thirty-Ninth Annual Meeting of the Directors of the Corporation which was held on December 4, 1996.

The President read the Minutes of the Fortieth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Elmick
Vice President	Maxine Elmick
Vice President	Laura Elmick Klimley
Executive Vice President	Alicia Elmick Barbieri
Secretary	Maxine Elmick
Treasurer	Maxine Elmick

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach.

Mrs. Klimley reported on list management and organizational structure/personnel.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and plans for expansion in calendar year 1998.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and were pleased with the progress that has been made.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1997. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Elmick Associates, Inc. for the year ended June 30, 1997 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 6, 1998	April 1, 1998
June 5, 1998	July 1, 1998
September 8, 1998	October 1, 1998
December 9, 1998	January 4, 1999

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 140,000 per annum, effective July 1, 1998, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 36,000 per annum, effective July 1, 1998, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 620,000 per annum, effective July 1, 1998, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 56,000 per annum, effective July 1, 1998".

The Treasurer reviewed in detail the following management fees:


1. \$ 569,000 per annum from V.W. Eimicke Ltd. to V. W. Eimicke Associates, Inc.
2. \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:


"RESOLVED, to approve the management fee of \$ 569,000 per annum from V. W. Eimicke Ltd. to the Corporation, and the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Bronxville, New York
December 3, 1997



Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
THE FORTY-FIRST ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-First Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's President, 20 Hereford Road, Bronxville, N. Y., on Wednesday, the 2nd of December, 1998, at 10:00 a. m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimley

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 13, 1998, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Fortieth Annual Meeting of the Directors of the Corporation which was held on December 3, 1997.

The President read the Minutes of the Forty-First Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans.

Mrs. Klimley reported on list management and organizational structure/personnel.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 1999.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1998. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1998 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 5, 1999	April 1, 1999
June 4, 1999	July 1, 1999
September 8, 1999	October 1, 1999
December 9, 1999	January 4, 2000

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 140,000 per annum, effective July 1, 1999, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 0 per annum, effective July 1, 1999, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 644,000 per annum, effective July 1, 1999, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 59,000 per annum, effective July 1, 1999".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

**MINUTES
OF
THE FORTY-SECOND ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Second Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the home of the company's President, 20 Hersford Road, Bronxville, N. Y., on Wednesday, the 1st of December, 1999, at 10:00 a. m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Victor W. Eimicke
Laura E. Klimley

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 12, 1999, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Forty-first Annual Meeting of the Directors of the Corporation which was held on December 2, 1998.

The President read the Minutes of the Forty-second Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Victor W. Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Executive Vice President	Alicia Eimicke Barbieri
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans.

Mrs. Klimley reported on list management and organizational structure/personnel.

Mrs. Barbieri reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 1999.

The Directors discussed the reports given by Mrs. Klimley and Mrs. Barbieri and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 1999. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 1999 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 3, 2000	April 1, 2000
June 2, 2000	July 1, 2000
September 8, 2000	October 1, 2000
December 8, 2000	January 2, 2001

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, Executive Vice President, be \$ 155,000 per annum, effective July 1, 2000, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ 0 per annum, effective July 1, 2000, and

"FURTHER RESOLVED, that the salary of Victor W. Eimicke, President, be \$ 550,000 per annum, effective July 1, 2000, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 50,000 per annum, effective July 1, 2000".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

The Management Reimbursement Fee from V. V. Eimicke Ltd. to the Corporation for the year ended June 30, 1999 was \$ 447,984 as approved by the President and Treasurer.


The Treasurer stated that management reimbursement fees for the year ending June 30, 2000 to the Corporation from V.W.Eimicke, Ltd. are currently being reviewed.

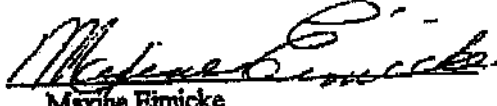
On motion duly made and seconded, it was unanimously:

"RESOLVED, that the President and Treasurer should study the review and approve any management reimbursement fee from V. W. Eimicke Ltd. to the Corporation.

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Bronxville, New York
December 1, 1999


Victor W. Eimicke
President of the Corporation, and
Chairman of the Meeting


Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
SPECIAL MEETING OF THE STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

A Special Meeting of the Stockholders of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 E. Grassy Sprain Road, Yonkers, New York, on Tuesday, the 5th of September, 2000 at 6:00 p.m. of that day.

The meeting was held due to the death of Dr. Victor W. Eimicke, President and Director of the Corporation, on September 4, 2000.

The meeting was attended by Mrs. Alicia E. Barbieri and Mrs. Laura E. Klimley who are shareholders and officers of the Corporation, and Mrs. Maxine Eimicke, who is an officer of the Corporation.

Mrs. Alicia E. Barbieri, Executive Vice President of the Corporation, acted as Chairwoman of the Meeting and Mrs. Maxine Eimicke, Vice President, Secretary and Treasurer of the Corporation, acted as Secretary of the Meeting.


There was a full discussion regarding Corporate matters and the election to the Board of Directors of the Corporation of John Palmero, the Corporation's Controller.

The following resolution was offered, and unanimously adopted:

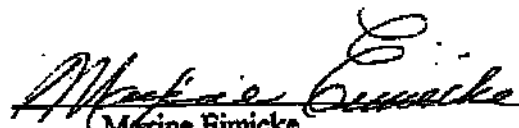
"RESOLVED, that John Palmero of 20 Saynor Drive, Bardonia, New York be and he is elected a Director of the Corporation".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
September 5, 2000



Alicia E. Barbieri
Executive Vice President
of the Corporation and
Chairwoman of the Meeting



Maxine Eimicke
Vice President, Secretary,
and Treasurer of the
Corporation, and Secretary
of the Meeting

**MINUTES
OF
SPECIAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

A Special Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the offices of the Corporation, 35 East Grassy Sprain Road, Yonkers, New York, on Tuesday, the 5th of September, 2000, at 6:30 p.m. of that day.

The following Directors were present:


Alicia E. Barbieri
Maxine Eimicke
Laura E. Klimley
John Palmero

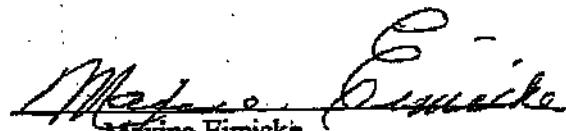
After a full discussion, the following motion was duly made, seconded, and unanimously approved:

"RESOLVED, that Alicia E. Barbieri be, and she is elected President of the Corporation".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
September 5, 2000


Alicia E. Barbieri
President of the Corporation, and
Chairwoman of the Meeting


Maxine Eimicke
Vice President, Secretary
and Treasurer of the Corporation,
and Secretary of the Meeting

**MINUTES
OF
THE FORTY-THIRD ANNUAL MEETING OF THE STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Third Annual Meeting of the Stockholders of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y. on the 6th of December, 2000 at 9:30 a.m., of that day.

The Meeting was attended by Mrs. Alicia Barbieri, Mrs. Maxine Eimicke, and Mrs. Laura Eimicke Klimley, all of whom are officers and employees of the Corporation. Mrs. Barbieri and Mrs. Klimley are all of the holders of the Capital Stock of the Corporation.

Mrs. Alicia E. Barbieri, President of the Corporation, acted as Chairwoman of the Meeting and Mrs. Maxine Eimicke, Vice President, Secretary and Treasurer of the Corporation, acted as Secretary of the Meeting.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 16, 2000 which has been duly executed by all the Stockholders of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked "A".

The Secretary then read the roll of the Stockholders.

The reading of the Minutes of the previous Meeting of the Stockholders was waived by unanimous consent.

On motion duly made and seconded, it was unanimously:

"RESOLVED, that each and all of the acts of Directors and Officers of this Corporation in carrying out and promoting the purposes, objectives, and interests of this Corporation since the last Annual Stockholders' Meeting thereof, be and the same are approved, ratified and hereby made the acts and deeds of this Corporation".

The following resolutions regarding Directors were offered, and unanimously adopted:

"RESOLVED, that Mrs. Alicia Eimicke Barbieri of 524 East 72nd Street, New York, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Maxine Eimicke of 20 Hereford Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Laura Eimicke Klimley of 5 Oakledge Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that John Palmero of 20 Saymor Drive, Bardonia, New York, be and he is elected a Director of the Corporation".

The following resolutions regarding the compensation of Directors of the Corporation was offered, seconded and unanimously adopted:

"RESOLVED, that the compensation of each Director of the Corporation be at the rate of \$500 for each Meeting actually attended and including any incidental duties which the Officers of the Corporation may, from time to time, request each Director to perform".

The President reviewed the Financial Report, as prepared by the Corporation's controller, for the year ended June 30, 2000. After a full discussion of the Report, on motion duly made and seconded, it was unanimously:

"RESOLVED, to accept the Financial Report of the Corporation for the year ended June 30, 2000 and


"FURTHER RESOLVED, that a copy of the Financial Report of the Corporation be annexed to the Minutes of this Meeting and marked 'B'."

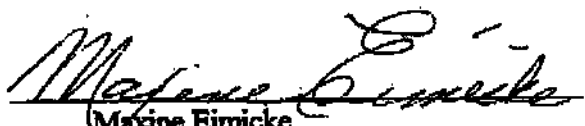
The following motion regarding financial reports and tax returns for the Corporation was offered, seconded, and unanimously adopted:

"RESOLVED, that the Corporation's Financial Reports and Tax Returns be prepared internally under the supervision of the Corporation's Controller".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 6, 2000


Alicia E. Barbieri
President of the Corporation, and
Chairwoman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

"A"

**WAIVER OF NOTICE
OF
THE FORTY-THIRD ANNUAL MEETING OF STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

We, the undersigned being all of the holders of the Capital Stock of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Stockholders of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y. on the 6th of December 2000, at 9:30 a.m., of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

DATED: Yonkers, New York
 November 16, 2000


Alicia Eimicke Barbieri


Laura Eimicke Klimley

**MINUTES
OF
THE FORTY-THIRD ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Third Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y., on Wednesday, the 6th of December, 2000, at 10:00 a. m., of that day.

The following Directors were present:

Alicia E. Barbieri
Maxine Eimicke
Laura E. Klimley
John Palmero

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 16, 2000, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Forty-second Annual Meeting of the Directors of the Corporation which was held on December 1, 1999.

The President read the Minutes of the Forty-third Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Alicia E. Barbieri
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

→ The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans. She also reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Mrs. Barbieri described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 2000.

Mrs. Klimley reported on list management and organizational structure/personnel.

The Directors discussed the reports given by Mrs. Barbieri and Mrs. Klimley and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 2000. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 2000 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 2, 2001	April 2, 2001
June 4, 2001	July 2, 2001
September 7, 2001	October 1, 2001
December 7, 2001	January 2, 2002

"FURTHER RESOLVED, that the salary of Alicia Eimicke Barbieri, President, be \$ 350,000 per annum, effective July 1, 2001, and

"FURTHER RESOLVED, that the salary of Laura Eimicke Klimley, Vice President, be \$ - 0 - per annum, effective July 1, 2001, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 100,000 per annum, effective July 1, 2001".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the credit services fee of \$42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

The Management Reimbursement Fee from V. V. Eimicke Ltd. to the Corporation for the year ended June 30, 2000 was \$ 311,337 as approved by the President and Treasurer.


The Treasurer stated that management reimbursement fees for the year ending June 30, 2001 to the Corporation from V.W.Eimicke, Ltd. are currently being reviewed.


On motion duly made and seconded, it was unanimously:

"RESOLVED, that the President and Treasurer should study the review and approve any management reimbursement fee from V. W. Eimicke Ltd. to the Corporation, and from the Corporation to V. W. Eimicke Ltd.

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 6, 2000


Alicia E. Barbieri
President of the Corporation, and
Chairwoman of the Meeting


Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

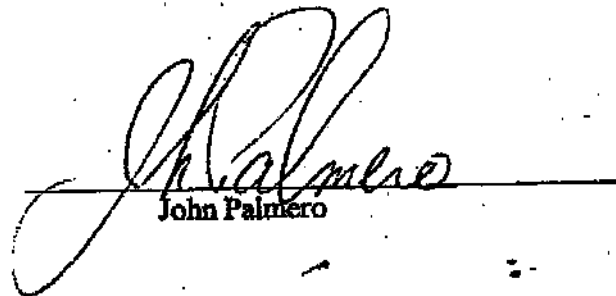
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**WAIVER OF NOTICE
OF
THE FORTY-THIRD ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

We, the undersigned, being all the Directors of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Directors of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y., on the 6th of December, 2000 at 10:00 a. m. of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

Dated: Yonkers, New York
November 16, 2000


Alicia Eimicke Barbieri


John Palmero


Maxine Eimicke


Laura Eimicke Klimley

**MINUTES
OF
THE FORTY-FOURTH ANNUAL MEETING OF THE STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Fourth Annual Meeting of the Stockholders of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y. on the 5th of December, 2001 at 9:30 a.m., of that day.

The Meeting was attended by Ms. Alicia Eimicke, Mrs. Maxine Eimicke, and Mrs. Laura Eimicke Klimley, all of whom are officers and employees of the Corporation. Ms. Eimicke and Mrs. Klimley are all of the holders of the Capital Stock of the Corporation.

Ms. Alicia Eimicke, President of the Corporation, acted as Chairwoman of the Meeting and Mrs. Maxine Eimicke, Vice President, Secretary and Treasurer of the Corporation, acted as Secretary of the Meeting.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 15, 2001 which has been duly executed by all the Stockholders of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked "A".

The Secretary then read the roll of the Stockholders.

The reading of the Minutes of the previous Meeting of the Stockholders was waived by unanimous consent.

On motion duly made and seconded, it was unanimously:

"RESOLVED, that each and all of the acts of Directors and Officers of this Corporation in carrying out and promoting the purposes, objectives, and interests of this Corporation since the last Annual Stockholders' Meeting thereof, be and the same are approved, ratified and hereby made the acts and deeds of this Corporation".

The following resolutions regarding Directors were offered, and unanimously adopted:

"RESOLVED, that Ms. Alicia Eimicke of 524 East 72nd Street, New York, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Maxine Eimicke of 20 Hereford Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Laura Eimicke Klimley of 5 Oakledge Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that John Palmero of 20 Saymor Drive, Bardonia, New York, be and he is elected a Director of the Corporation".

The President reviewed the Financial Report, as prepared by the Corporation's controller, for the year ended June 30, 2001. After a full discussion of the Report, on motion duly made and seconded, it was unanimously:

"RESOLVED, to accept the Financial Report of the Corporation for the year ended June 30, 2001 and

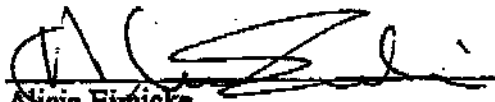
"FURTHER RESOLVED, that a copy of the Financial Report of the Corporation be annexed to the Minutes of this Meeting and marked 'B'."


The following motion regarding financial reports and tax returns for the Corporation was offered, seconded, and unanimously adopted:

"RESOLVED, that the Corporation's Financial Reports and Tax Returns be prepared internally under the supervision of the Corporation's Controller".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 5, 2001


Alicia Eimicke
President of the Corporation, and
Chairwoman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

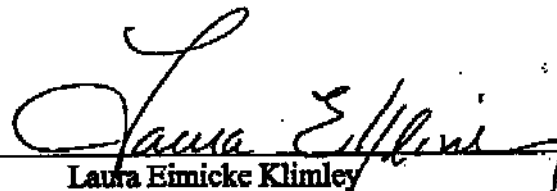
"A"

**WAIVER OF NOTICE
OF
THE FORTY-FOURTH ANNUAL MEETING OF STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

We, the undersigned being all of the holders of the Capital Stock of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Stockholders of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y. on the 5th of December 2001, at 9:30 a.m., of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

DATED: Yonkers, New York
 November 15, 2001


Alicia Eimicke


Laura Eimicke Klimley

**MINUTES
OF
THE FORTY-FOURTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Fourth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y., on Wednesday, the 5th of December, 2001, at 10:00 a. m., of that day.

The following Directors were present:

Alicia Eimicke
Maxine Eimicke
Laura E. Klimley
John Palmero

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 15, 2001, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Forty-Third Annual Meeting of the Directors of the Corporation which was held on December 6, 2000.

The President read the Minutes of the Forty-Fourth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Alicia Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans. She also reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Ms. Eimicke described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 2002.

Ms. Eimicke reported on list management and organizational structure/personnel.

The Directors discussed the reports given by Ms. Eimicke and Mrs. Klimley and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 2001. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 2001 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 1, 2002	April 1, 2002
June 3, 2002	July 1, 2002
September 6, 2002	October 1, 2002
December 6, 2002	January 2, 2003

"FURTHER RESOLVED, that the salary of Alicia Eimicke, President, be \$ 370,000 per annum, effective July 1, 2002, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 200,000 per annum, effective July 1, 2002".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the credit services fee of \$42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

The Management Reimbursement Fee from V. V. Eimicke Ltd. to the Corporation for the year ended June 30, 2001 was \$ 213,713 as approved by the President and Treasurer.

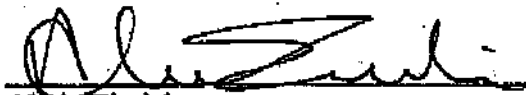
The Treasurer stated that management reimbursement fees for the year ending June 30, 2002 to the Corporation from V.W.Eimicke, Ltd. are currently being reviewed.

On motion duly made and seconded, it was unanimously:

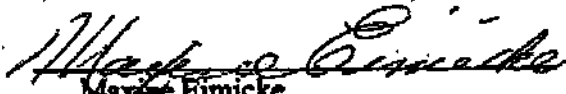
"RESOLVED, that the President and Treasurer should study the review and approve any management reimbursement fee from V. W. Eimicke Ltd. to the Corporation, and from the Corporation to V. W. Eimicke Ltd.

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 5, 2001



Alicia Eimicke
President of the Corporation, and
Chairwoman of the Meeting



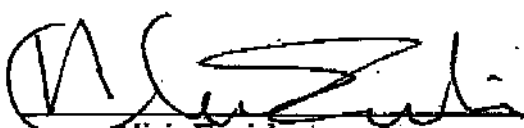
Mayne Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

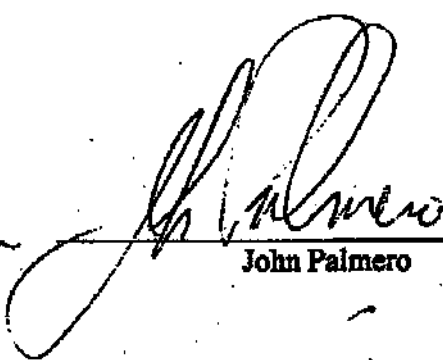
"A"


WAIVER OF NOTICE
OF
THE FORTY-FOURTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.


We, the undersigned, being all the Directors of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Directors of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y., on the 5th of December, 2001 at 10:00 a. m. of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

Dated: Yonkers, New York
November 15, 2001


Alicia Eimicke


John Palmero


Maxine Eimicke


Laura Eimicke Klimley

**MINUTES
OF
THE FORTY-FIFTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Fifth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y., on Wednesday, the 4th of December, 2002, at 10:00 a. m., of that day.

The following Directors were present:

Alicia Eimicke
Maxine Eimicke
Laura E. Klimley
John Palmero

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 14, 2002, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Forty-Fourth Annual Meeting of the Directors of the Corporation which was held on December 5, 2001.

The President read the Minutes of the Forty-Fifth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Alicia Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans. She also reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Ms. Eimicke described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 2003.

Ms. Eimicke reported on list management and organizational structure/personnel.

The Directors discussed the reports given by Ms. Eimicke and Mrs. Klimley and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 2002. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 2002 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 3, 2003	April 1, 2003
June 3, 2003	July 1, 2003
September 5, 2003	October 1, 2003
December 5, 2003	January 2, 2004

"FURTHER RESOLVED, that the salary of Alicia Eimicke, President, be \$ 390,000 per annum, effective July 1, 2003, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 200,000 per annum, effective July 1, 2003".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

**MINUTES
OF
THE FORTY-FIFTH ANNUAL MEETING OF THE STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Fifth Annual Meeting of the Stockholders of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y. on the 4th of December, 2002 at 9:30 a.m., of that day.

The Meeting was attended by Ms. Alicia Eimicke, Mrs. Maxine Eimicke, and Mrs. Laura Eimicke Klimley, all of whom are officers and employees of the Corporation. Ms. Eimicke and Mrs. Klimley are all of the holders of the Capital Stock of the Corporation.

Ms. Alicia Eimicke, President of the Corporation, acted as Chairwoman of the Meeting and Mrs. Maxine Eimicke, Vice President, Secretary and Treasurer of the Corporation, acted as Secretary of the Meeting.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 14, 2002 which has been duly executed by all the Stockholders of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked "A".

The Secretary then read the roll of the Stockholders.

The reading of the Minutes of the previous Meeting of the Stockholders was waived by unanimous consent.

On motion duly made and seconded, it was unanimously:

"RESOLVED, that each and all of the acts of Directors and Officers of this Corporation in carrying out and promoting the purposes, objectives, and interests of this Corporation since the last Annual Stockholders' Meeting thereof, be and the same are approved, ratified and hereby made the acts and deeds of this Corporation".

The following resolutions regarding Directors were offered, and unanimously adopted:

"RESOLVED, that Ms. Alicia Eimicke of 524 East 72nd Street, New York, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Maxine Eimicke of 20 Hereford Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Laura Eimicke Klimley of 5 Oakledge Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that John Palmero of 20 Saymor Drive, Bardonia, New York, be and he is elected a Director of the Corporation".

The President reviewed the Financial Report, as prepared by the Corporation's controller, for the year ended June 30, 2002. After a full discussion of the Report, on motion duly made and seconded, it was unanimously:

"RESOLVED, to accept the Financial Report of the Corporation for the year ended June 30, 2002 and

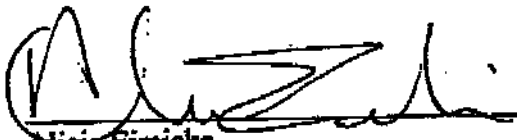
"FURTHER RESOLVED, that a copy of the Financial Report of the Corporation be annexed to the Minutes of this Meeting and marked 'B'."


The following motion regarding financial reports and tax returns for the Corporation was offered, seconded, and unanimously adopted:

"RESOLVED, that the Corporation's Financial Reports and Tax Returns be prepared internally under the supervision of the Corporation's Controller".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 4, 2002


Alicia Einlicke
President of the Corporation, and
Chairwoman of the Meeting


Maxine Einlicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

"A"

WAIVER OF NOTICE
OF
THE FORTY-FIFTH ANNUAL MEETING OF STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.

We, the undersigned being all of the holders of the Capital Stock of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Stockholders of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y. on the 4th of December 2002, at 9:30 a.m., of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

DATED: Yonkers, New York
November 14, 2002


Alicia Eimicke

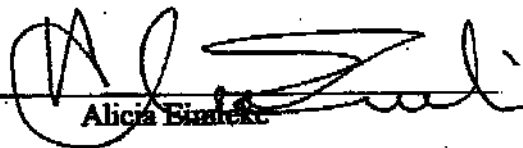

Laura Eimicke Klimley

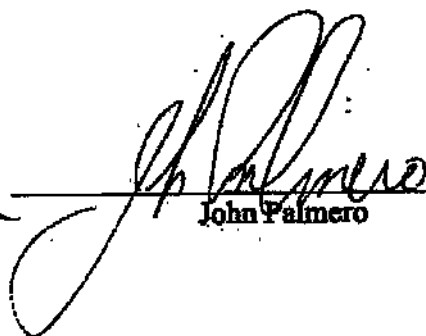
"A"

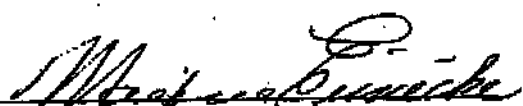
WAIVER OF NOTICE
OF
THE FORTY-FIFTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.


We, the undersigned, being all the Directors of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Directors of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y., on the 4th of December, 2002 at 10:00 a. m. of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

Dated: Yonkers, New York
November 14, 2002


Alicia Eimicke


John Palmero


Maxine Eimicke


Laura Eimicke Klimley

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the credit services fee of \$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

The Management Reimbursement Fee from V. V. Eimicke Ltd. to the Corporation for the year ended June 30, 2002 was \$ 181,916 as approved by the President and Treasurer.

The Treasurer stated that management reimbursement fees for the year ending June 30, 2003 to the Corporation from V.W.Eimicke, Ltd. are currently being reviewed.

On motion duly made and seconded, it was unanimously:

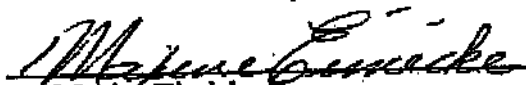
"RESOLVED, that the President and Treasurer should study the review and approve any management reimbursement fee from V. W. Eimicke Ltd. to the Corporation, and from the Corporation to V. W. Eimicke Ltd.

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 4, 2002



Alicia Eimicke
President of the Corporation, and
Chairwoman of the Meeting



Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

**MINUTES
OF
THE FORTY-SIXTH ANNUAL MEETING OF THE STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Sixth Annual Meeting of the Stockholders of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y. on the 3rd of December, 2003 at 9:30 a.m., of that day.

The Meeting was attended by Ms. Alicia Eimicke, Mrs. Maxine Eimicke, and Mrs. Laura Eimicke Klimley, all of whom are officers and employees of the Corporation. Ms. Eimicke and Mrs. Klimley are all of the holders of the Capital Stock of the Corporation.

Ms. Alicia Eimicke, President of the Corporation, acted as Chairwoman of the Meeting and Mrs. Maxine Eimicke, Vice President, Secretary and Treasurer of the Corporation, acted as Secretary of the Meeting.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 13, 2003 which has been duly executed by all the Stockholders of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked "A".

The Secretary then read the roll of the Stockholders.

The reading of the Minutes of the previous Meeting of the Stockholders was waived by unanimous consent.

John Palmero has submitted his resignation, effective January 1, 2004, as a Director of the Corporation. In accepting Mr. Palmero's resignation, the shareholders expressed their appreciation for the service rendered. Said resignation is annexed to the Minutes of this meeting and marked "B".

On motion duly made and seconded, it was unanimously:

"RESOLVED, that each and all of the acts of Directors and Officers of this Corporation in carrying out and promoting the purposes, objectives, and interests of this Corporation since the last Annual Stockholders' Meeting thereof, be and the same are approved, ratified and hereby made the acts and deeds of this Corporation".

The following resolutions regarding Directors were offered, and unanimously adopted:

"RESOLVED, that Ms. Alicia Eimicke of 524 East 72nd Street, New York, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Maxine Eimicke of 20 Hereford Road, Bronxville, New York, be and she is elected a Director of the Corporation.

"FURTHER RESOLVED, that Mrs. Laura Eimicke Klimley of 5 Oakledge Road, Bronxville, New York, be and she is elected a Director of the Corporation.

The President reviewed the Financial Report, as prepared by the Corporation's controller, for the year ended June 30, 2003. After a full discussion of the Report, on motion duly made and seconded, it was unanimously:

"RESOLVED, to accept the Financial Report of the Corporation for the year ended June 30, 2003 and

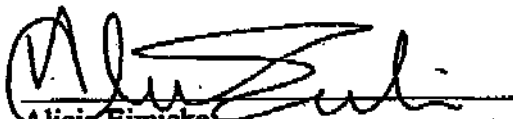
"FURTHER RESOLVED, that a copy of the Financial Report of the Corporation be annexed to the Minutes of this Meeting and marked 'C'."


The following motion regarding financial reports and tax returns for the Corporation was offered, seconded, and unanimously adopted:

"RESOLVED, that the Corporation's Financial Reports and Tax Returns be prepared internally under the supervision of the Corporation's Controller".

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 3, 2003


Alicia Eimicke
President of the Corporation, and
Chairwoman of the Meeting


Martine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

"B"

JOHN PALMERO
20 SAYMOR DRIVE
BARDONIA, NEW YORK 10854

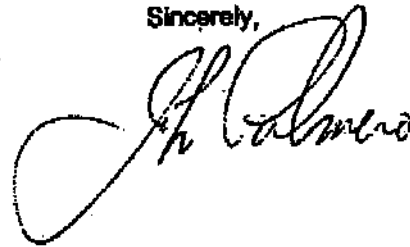
December 2, 2003

To The Stockholders and Directors of
V.W. EIMICKE ASSOCIATES, INC. :

I hereby resign as a Director of V.W. Eimicke Associates, Inc. effective January 1, 2004.

I have enjoyed serving for the past three years and thank you all for your friendship and cooperation.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Palmero", written in dark ink.

"A"

**WAIVER OF NOTICE
OF
THE FORTY-SIXTH ANNUAL MEETING OF STOCKHOLDERS
OF
V. W. EIMICKE ASSOCIATES, INC.**

We, the undersigned being all of the holders of the Capital Stock of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Stockholders of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y. on the 3rd of December 2003, at 9:30 a.m., of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

DATED: Yonkers, New York
November 13, 2003


Alicia Eimicke


Laura Eimicke Klimley

**MINUTES
OF
THE FORTY-SIXTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.**

The Forty-Sixth Annual Meeting of the Directors of V. W. Eimicke Associates, Inc. was held at the Corporation's Headquarters, 35 East Grassy Sprain Road, Yonkers, N. Y., on Wednesday, the 3rd of December, 2003, at 10:00 a. m., of that day.

The following Directors were present:

Alicia Eimicke
Maxine Eimicke
Laura E. Klimley
John Palmero

The President accepted the resignation of John Palmero as a Director of the Corporation, to be effective January 1, 2004.

The Secretary of the Meeting, Mrs. Eimicke, submitted to the Meeting a Waiver of Notice of the Meeting, dated November 13, 2003, which has been duly executed by all the Directors of the Corporation. Said Waiver is annexed to the Minutes of this Meeting and marked Exhibit "A".

The Secretary read the Minutes of the Forty-Fifth Annual Meeting of the Directors of the Corporation which was held on December 4, 2002.

The President read the Minutes of the Forty-Fifth Annual Meeting of the Stockholders of the Corporation.

On motion duly made and seconded, the following officers were unanimously elected to serve until the next Annual Meeting of the Board of Directors:

President	Alicia Eimicke
Vice President	Maxine Eimicke
Vice President	Laura Eimicke Klimley
Secretary	Maxine Eimicke
Treasurer	Maxine Eimicke

The President then reported on the various activities of the Corporation including the Corporation's current marketing approach and long-range fiscal plans. She also reported on the company's Christmas Card business, Tax Forms business, the status of franchisees, compliance products and telemarketing. Ms. Eimicke described in detail the various transactions between the Corporation and its licensees, and operating plans for calendar year 2004.

The President also reported on the marketing of the Christmas card business to an outside buyer. The target for the completion of this process is December 31, 2003.

Ms. Eimicke reported on list management and organizational structure/personnel.

The Directors discussed the reports given by Ms. Eimicke and Mrs. Klimley and accepted the reports as presented.

The President reviewed the Financial Statements of the Corporation for the year ended June 30, 2003. After a full discussion of the Corporation's operations, the following resolutions were unanimously adopted:

"RESOLVED, that the Directors accept the Financial Reports of V. W. Eimicke Associates, Inc. for the year ended June 30, 2003 as prepared under the supervision of the Corporation's Controller, and

"FURTHER RESOLVED, that dividends are declared to be payable to holders of Series A and Series B Preferred Stock of \$2.50 per share as follows:

<u>Record Date</u>	<u>Payment Date</u>
March 3, 2004	April 1, 2004
June 3, 2004	July 1, 2004
September 5, 2004	October 1, 2004
December 5, 2004	January 3, 2005

"FURTHER RESOLVED, that the salary of Alicia Eimicke, President, be \$ 390,000 per annum, effective July 1, 2004, and

"FURTHER RESOLVED, that the salary of Maxine Eimicke, Vice President, Secretary and Treasurer, be \$ 200,000 per annum, effective July 1, 2004".

The Treasurer reviewed in detail the following management fee :

\$ 42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc. for credit services.

On motion duly made and seconded, it was unanimously:

"RESOLVED, to approve the credit services fee of \$42,000 per annum from the Corporation to Hereford Credit and Collection Agency, Inc."

The Management Reimbursement Fee from V. V. Eimicke Ltd. to the Corporation for the year ended June 30, 2003 was \$ 239,797 as approved by the President and Treasurer.

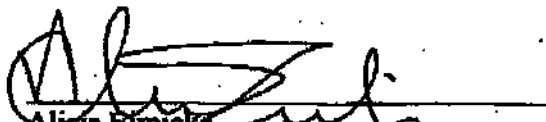
The Treasurer stated that management reimbursement fees for the year ending June 30, 2004 to the Corporation from V. W. Eimicke, Ltd. are currently being reviewed.

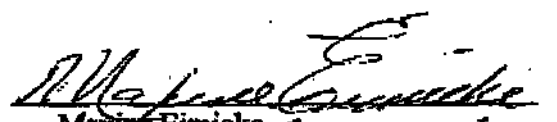
On motion duly made and seconded, it was unanimously:

"RESOLVED, that the President and Treasurer should study the review and approve any management reimbursement fee from V. W. Eimicke Ltd. to the Corporation, and from the Corporation to V. W. Eimicke Ltd.

There being no further business to come before the Meeting, the Meeting was duly adjourned.

DATED: Yonkers, New York
December 3, 2003


Alicia Eimicke
President of the Corporation, and
Chairwoman of the Meeting

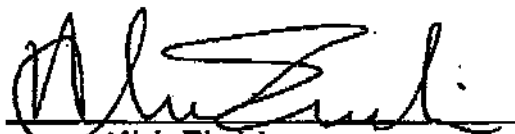

Maxine Eimicke
Vice President, Secretary and Treasurer
of the Corporation, and
Secretary of the Meeting

"A"

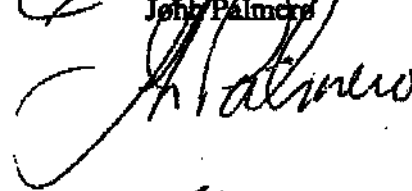
WAIVER OF NOTICE
OF
THE FORTY-SIXTH ANNUAL MEETING OF THE DIRECTORS
OF
V. W. EIMICKE ASSOCIATES, INC.

We, the undersigned, being all the Directors of V. W. Eimicke Associates, Inc., a New York Corporation, with its principal place of business at 35 East Grassy Sprain Road, Yonkers, New York, do hereby waive notice of the Annual Meeting of the Directors of the said Corporation and do hereby consent that the same shall be held at 35 East Grassy Sprain Road, Yonkers, N. Y., on the 3rd of December, 2003 at 10:00 a. m. of that day, and we hereby consent to the transaction of all business of the Corporation which may lawfully be transacted at the said Meeting.

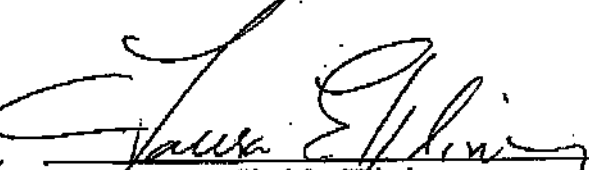
Dated: Yonkers, New York
November 13, 2003


Alicia Eimicke


John Palmoro




Maxine Eimicke


Laura Eimicke Kimley

LAW OFFICES

HALL DICKLER KENT GOLDSTEIN & WOOD LLP

909 THIRD AVENUE, NEW YORK, NY 10022-4731

TELEPHONE 212 339-5400
TELEFAX 212 935-3131
www.hdkgw.com

MICHAEL A. MEYERS
212-339-5409
mmeyers@hdkgw.com

August 28, 2001

To the Attached Distribution List

Re: Firmicke - Proposed Drop-Down of Business to LLC

Based on our recent meeting, we have prepared the enclosed memorandum and diagram setting forth an analysis of the possible restructuring of the business to enable you to minimize the tax that would be incurred when the company becomes profitable or is sold. After each of you have had an opportunity to review the memorandum, please call me so that we can discuss.

Very truly yours,

Michael A. Meyers

MAM/alk
Attachment

LOS ANGELES, CA
2020 CENTURY PARK EAST LOS ANGELES, CA 90067
TELEPHONE 310 263-8410 TELEFAX 310 263-8525

WHITE PLAINS, NY
11 MARKING AVENUE WHITE PLAINS, NY 10606-1900
TELEPHONE 914 463-3600 TELEFAX 914 426-1600

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HALL DICKLER KENT GOLDSTEIN & WOOD LLP

MEMORANDUM

FROM: Michael A. Meyers
 DATE: August 27, 2001
 TO: Maxine Eimicke, Alicia Eimicke, Laura Klimley, John Palmero
 SUBJECT: Eimicke - Proposed Drop-Down of Business to LLC

1. FACTS

V. W. Eimicke Associates, Inc. ("VWE Associates") is a C corporation with significant net operating losses ("NOLs") totaling approximately \$8.6 million. VWE Associates is owned equally by Alicia Eimicke and Laura Klimley. VWE Associates has a book value and basis of approximately \$11 million (excluding goodwill) and has outstanding liabilities of approximately \$24 million. \$18 million of these liabilities represent interest-bearing obligations to third-party lenders, including \$1.5 million to Laura Klimley. The remaining liabilities, \$6 million, represent trade debt.

We have been asked to advise VWE Associates as to the most tax efficient business structure under which it could achieve the following goals in the event VWE Associates becomes profitable and/or is later sold at a substantial gain: (i) the best utilization of its significant NOLs to offset future earnings and (ii) the reduction of potential exposure to double tax liability (that is, taxation at both the corporate and shareholder levels).

2. CONCLUSION

This memorandum will discuss three scenarios VWE Associates may consider in order to best achieve the above goals and the tax consequences of each. For the following reasons, which are described in more detail in Part 3 below, we would

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recommend that VWE Associates consider employing Scenario 3 (drop-down of business to an LLC):¹

- a. Scenario 1: Remain a C Corporation: The advantage to VWE Associates remaining a C corporation is that if it became profitable, it would be able to use its NOLs to offset future earnings. However, once the NOLs were used up, it would be difficult to zero-out its income by salary expenses. Another drawback to remaining a C corporation is the exposure to double tax liability in the event the business is sold. In this case, the sale of the business could be subject to an effective tax rate of up to 53%.
- b. Scenario 2: Convert to an S Corporation: If VWE Associates converted to an S corporation its profits and losses would only be taxed once at the shareholder-level. However, the drawback here is that VWE Associates will lose the benefit of its NOLs until such time as the business is sold. Thus, during the period between the conversion and the sale, the business profits of VWE Associates would be fully taxable to Alicia and Laura as the shareholders of VWE Associates.
- c. Scenario 3: Drop Business Down to LLC: Dropping down the business of VWE Associates to an LLC in the manner set forth below in Part 3.c. would best achieve the above goals for the following reasons:
 1. VWE Associates would have a stream of income from the LLC which it could use to pay off its interest obligations;

¹ Attached to this memorandum as Exhibit A is a diagram of the Scenario 3 structure.

- ii. VWE Associates would retain the benefit of its NOLs, which would shelter from tax the stream of income from the LLC;
- iii. The debt owed to Laura by VWE Associates could be paid off; and
- iv. In the event the business is sold at a substantial profit, VWE Associates would be taxed under Code §704(c) on its built-in gain (i.e., the fair market value of the business at the time of its contribution to the LLC less its adjusted basis). However, any excess gain over and above this §704(c) amount could be allocated solely to Alicia and Laura, thus mitigating the double tax liability problem.

3. DISCUSSION

a. Scenario 1: Remain a C Corporation

In the event VWE Associates remained a C corporation and became profitable, it would be able to use its NOLs to offset the new earnings. However, once the NOLs are exhausted, VWE Associates would likely be unable to zero-out its taxable income by deductible salary expenses. Another drawback to remaining a C corporation is that in the event the business is later sold, the proceeds from the sale would be subject to two levels of tax: one at the corporate level and another at the shareholder level.² As is illustrated in the following example, the total effective tax rate on the sale of the business due to this double tax liability would be approximately 53%.

For example, assume the business was sold for \$50 million at a time when VWE

² We are assuming here that a future purchaser of the business would not buy the stock of VWE Associates.

Associates' adjusted basis in its assets was \$10 million and its NOLs were zero.³ In this case, VWE Associates would have \$40 million of corporate-level gain (\$50 million sale proceeds less \$10 million adjusted basis). Assuming that this gain would be subject to total federal and state taxes of approximately 43%,⁴ the tax liability would be \$17.2 million (\$40 million gain x 43%). This would leave \$32.8 million (\$50 million sale proceeds less \$17.2 million tax liability) available for distribution to the shareholders in the event of the liquidation of VWE Associates. Assuming that this \$32.8 million liquidating distribution would be subject to total federal and state taxes of approximately 28%,⁵ the tax liability on this amount would be \$9.184 million. Consequently, taking into account both the corporate and shareholder-level taxes on the \$50 million sale proceeds, the sale of the business would ultimately be subject to an aggregate tax rate of approximately 53% (i.e., \$17.2 million corporate-level taxes plus \$9.184 million shareholder-level taxes ÷ \$50 million sale proceeds).

b. Scenario 2: Convert to an S Corporation

The advantage of converting to an S corporation is that VWE Associates will be treated as a flow-through entity. That is, profits and losses will flow through to the shareholders and therefore business profits will only be subject to one level of taxation. The drawback to converting to an S corporation is that under Code §1371(b)(1), VWE

³ Note that if NOLs remained at the time of the sale, VWE Associates could use them to offset the gain generated on the sale of the business. Consequently, the total effective tax rate on the sale would be less than 53%.

⁴ This assumes a 35% federal corporate tax and 8% total state and local taxes.

⁵ This assumes a 20% federal long-term capital gain tax and 8% total state and local taxes.

Associates will lose the benefit of its substantial NOLs (in existence prior to the conversion) to offset these business profits. However, in the event the business or particular assets are later sold, these NOLs could then be used to offset any built-in gain triggered under Code §1374. Under Code §1374, for a 10-year period following the conversion to an S corporation, VWE Associates would be subject to a corporate-level tax on the gain inherent in any appreciated assets (including goodwill) held at the time of the conversion and later sold by VWE Associates.*

For example, assume VWE Associates converted to an S corporation tomorrow and the business was sold within 10 years of the conversion for \$50 million. The §1374 built-in gain would be at least \$13 million (i.e., \$24 million fair market value, assuming the value of the business on the date of the conversion was at least \$1 over the amount of the liabilities, less \$11 million book basis). In this case, \$8.6 million of the \$13 million §1374 gain would be sheltered by the \$8.6 million NOLs in existence at the time of the conversion, leaving \$4.4 million gain. Therefore, this \$4.4 million of §1374 gain remaining after use of the NOLs would still be subject to corporate and shareholder-level federal and state taxes totaling \$2.594 million (\$1.892 million corporate taxes [\$4.4 million gain x 43%] plus \$702,240 shareholder taxes [\$4.4 million gain less 1.892 million corporate taxes x 28%]). The remaining \$26 million gain on the sale would be taxed only to the Alicia and Laura as the shareholders of VWE Associates, and this would amount to total federal and state taxes of \$7.28 million (\$26 million gain x 28%).

* Under Code §1374(d)(2)(A)(ii), VWE Associates would only incur the §1374 gain to the extent it had taxable income in the year of the disposition of the asset. Any amounts not taken into income are carried forward, but not beyond the 10-year trigger period.

Consequently, the sale of the business under these facts would result in a total effective tax rate of approximately 20% (\$2.594 million corporate and shareholder-level taxes on the \$1374 built-in gain plus \$7.28 million shareholder-level taxes ÷ \$50 million sale proceeds).

As a result of converting to an S corporation, the 20% effective tax rate on the sale of the business under this Scenario 2 would be much less than the 53% effective rate under Scenario 1 (remaining a C corporation). However, under this Scenario 2, the business profits realized during the period between the conversion to S status and the sale of the business would be fully taxed to Alicia and Laura as the shareholders of the S corporation, since the \$8.6 million NOLs could not be used to offset business profits during this time period.

c. Scenario 3: Drop-Down of Business to LLC with Guaranteed Payment to VWE Associates

i. Steps

Under this Scenario 3, the following steps would be taken:

- (1) VWE Associates and an LLC formed by Alicia and Laura ("HoldCo") would form an operating LLC ("OperatingCo").
- (2) HoldCo would be capitalized by Laura contributing \$1.5 million (represented by the \$1.5 debt owed to her from VWE Associates) and Alicia contributing cash and/or management services to HoldCo.
- (3) OperatingCo would be capitalized by VWE Associates contributing the assets and trade debts of the business (VWE

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Associates would retain the \$18 million third-party debt) and HoldCo contributing the \$1.5 million debt instrument and any other capital to OperatingCo.

- (4) VWE Associates and HoldCo would agree that the value of the business contributed by VWE Associates is at least \$1 over the \$24 million in liabilities owed by VWE Associates.
- (5) In return for their contributions, VWE Associates would receive a guaranteed payment equal to 150% of the highest applicable federal rate ("AFR") in effect each year for the first two years (after two years, the guaranteed payment can be changed to a greater amount) plus a 10% profits interest in OperatingCo and HoldCo would receive a 90% profits interest in OperatingCo.

As a result of this arrangement, any business profits of OperatingCo would first be used to pay the guaranteed payment to VWE Associates and the balance of the profits, if any, would be allocated 10% to VWE Associates and 90% to HoldCo. (See Part 2.c.iv. below for a more detailed discussion of the guaranteed payment.)

ii. Objectives and Tax Consequences

The objectives of this arrangement would be as follows. First, the guaranteed payment would be used by VWE Associates to pay the interest obligations on the \$18 million liabilities retained by it on the drop-down of the business to OperatingCo. This guaranteed payment would be income to VWE Associates and deductible by OperatingCo.

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Second, VWE Associates would still have the benefit of its \$8.6 million NOLs. Therefore, the stream of income to VWE Associates from OperatingCo with respect to the guaranteed payment and the 10% profits interest would be sheltered by the NOLs.

Third, Alicia and Laura's interests in HoldCo would be structured so that the stream of income received from OperatingCo by HoldCo would be allocated to Laura and Alicia in a manner agreed to by them but so that the \$1.5 million debt owed to Laura by VWE Associates would be paid off.

Finally, in the event OperatingCo sold the business, while the initial built-in gain in the business at the time of the formation of OperatingCo would have to be allocated to VWE Associated under Code §704(c), any gain over and above this amount could be allocated to HoldCo. Therefore, any gain in excess of the §704(c) amount would be subject to only one level of taxation, that is, only to Laura and Alicia.

iii. Example

To illustrate these principles, assume the business is sold by OperatingCo for \$50 million, the book basis remained \$11 million, and VWE Associates had zero NOLs left at the time of the sale. In this case, the sale of the business by OperatingCo would generate \$39 million taxable gain (\$50 million sale price less \$11 million basis). Since the value of the business contributed by VWE Associates at the time of the formation of OperatingCo was \$24 million and the book basis was \$11 million, there is \$13 million of §704(c) gain (\$24 million value at time of contribution less \$11 million basis) that must be allocated to VWE Associates. VWE Associates would be taxed \$5.59 million on this gain (\$13 million x 43%), and therefore OperatingCo would distribute to VWE Associates an amount of cash necessary to pay this tax liability. The remaining \$26

million gain on the sale of the business would be allocated 10% (or \$2.6 million) to VWE Associates and 90% (or \$23.4 million) to HoldCo. VWE Associates would be taxed \$1.118 million on this gain (\$2.6 million \times 43%), again requiring OperatingCo to distribute to VWE Associates an amount of cash necessary to pay this tax. The remaining \$23.4 million gain would be allocated to HoldCo and taxed to Alicia and Laura at 28%, or \$6.552 million (\$23.4 million \times 28%).

Consequently, the total effective tax rate on the sale of the business by OperatingCo would be approximately 26.5% (\$5.59 million and \$1.118 million corporate-level taxes paid by VWE Associates plus \$6.552 million taxes paid by Alicia and Laura \div \$50 million sale proceeds). However, unlike Scenario 2, under this Scenario 3 VWE Associates will continue to be able to use its \$8.6 million NOLs. Thus, the stream of income to VWE Associates from the guaranteed payment and 10% profits interest during the period from the time of the drop-down to the sale of the business would be sheltered from tax by VWE Associates' NOLs.

iv. Guaranteed Payment

Under the disguised sale rules of Code §707 and Treasury Regulation §1.707-4, any guaranteed payment made by OperatingCo to VWE Associates within two years of the contribution of the business to OperatingCo is presumed part of a disguised sale. This presumption is rebutted if the guaranteed payment is deemed "reasonable," which requires that the payment meet the following safe harbor: (i) the guaranteed payment is made pursuant to a written agreement and (ii) the amounts of the payments do not exceed the multiple of (a) 150% of the highest AFR (in effect at any time from the date of the written agreement establishing the guaranteed payment through the end of the

taxable year of the payment) times (b) VWE Associates's unreturned capital at the beginning of the year (i.e., the excess of its contributions less its distributions) or, at VWE Associates' option, its average capital account balance for the entire year.

To the extent a guaranteed payment made within the first two years is not deemed "reasonable" (i.e., to the extent it exceeds the safe harbor amount), the payment will be presumed part of a disguised taxable sale of the business to OperatingCo. However, this presumption would be overcome if VWE Associates can clearly establish that the payment was a "guaranteed payment for capital" (i.e., the payment is determined without regard to partnership income and is strictly for the use of VWE Associates's capital).

v. Analysis

The long-term, annual AFR for September 2001 is 5.57%. Therefore, assuming Scenario 3 was put into place in September and the AFR didn't increase beyond 5.72% for the first two years, the guaranteed payment for the first two years would be 8.355% ($5.57\% \times 150\%$) of VWE Associates' \$18 million capital account in OperatingCo, or \$1,503,900.

In 1999, VWE Associates had approximately \$2.7 million in interest expense. Since the \$1,503,900 guaranteed payment to VWE Associates' under the present AFR would presumably not cover its future interest expense and assuming that the stream of income from VWE Associates' 10% profits interest in OperatingCo does not make up the difference, then for the first two years VWE Associates will have to be specially allocated additional income to enable it to pay its interest obligations.